GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

RWS&S - Andhra Pradesh Rural Water Supply and Sanitation Project (APRWSSP)(World Bank assisted) – Implementation of **SWAp** (**S**ector **W**ise **Ap**proach) mode in 6 districts where the Project is being implemented i.e. , Adilabad, Mahabubnagar, Karimnagar, Kadapa, Prakasam and Visakapatnam – Orders – Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (RWS.III) DEPARTMENT

G.O.Ms.No.4 **Dated : 04-01-2013**

Read the following:-

From the Engineer-in-Chief, Rural Water Supply and Sanitation, Department, A.P. Hyderabad, Lr.No.130/APRWSSP/Aide Memoire/2011, dt.03-07-2012, 04-10-2012, 30-10-2012 & 31-10-2012.

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O R D E R :-

The World Bank assisted Andhra Pradesh Rural Water Supply & Sanitation Project is being implemented in the State of Andhra Pradesh since March, 2010. Based on the lessons learnt about the good practices evolved during this Project, a unified policy of implementation of water supply projects needs to be evolved *named as* 'sector wide approach (SWAP)'. It is also part of agreement, the State of Andhra Pradesh entered into with the funding agency as per 'Project Appraisal Document' and 'Project Implementation Plan'.

2. In the reference read above, the Engineer-in-Chief, Rural Water Supply and Sanitation Department, A.P. Hyderabad has submitted proposals for implementation of SWAp mode in 6 Districts where APRWSSP is being implemented, i.e., Adilabad , Mahabubnagar , Karimnagar, Kadapa, Prakasam, and Visakhapatnam. Since these districts have slowly undergone these processes, Government of Andhra Pradesh hereby decides to implement the SWAp mode in the entire State in a phased manner.

3. In the first phase, SWAP Mode will be implemented in Six districts where APRWSSP is being implemented i.e Visakapatnam, Karimnagar, Prakasam, Mahabubnagar and Adilabad. After Six months of implementation in six districts, the same procedure will be implemented in the rest of the districts in the state.

4. The following activities shall constitute the salient features of the SWAp mode.

S.NO **Activity**

I) Planning Phase

1) Make GPs understand roles and responsibilities.
2) Form GP-WSC (in case it does not exist).
3) Prepare Preliminary Scheme Report (PSR)for water supply and sanitation Activities in the village.
4) Create Awareness on Community contributions for capital cost and O&M cost of the scheme.
5) Take up Village level sanitation activities under TSC Programme
6) Preparation of detailed project report (DPR)
7) Discussion of DPR by the GP-WSC at the Gram Sabha meeting.
8) Incorporation feed-back from the Gram Sabha, and endorsement of DPR and signing-off by the GP-WSC.
9) Signing of undertaking by the GP-WSC***(Annexure – I)***

10) **SVS**
   - a Signing of Joint under taking by GP to participate in the SVS-Between GP and DWSC ***(Annexure-II)***
   - b Service agreement for O&M of SVS for Single Village Schemes- GPWSC – Operator ***(Annexure III)***

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11) **MVS**
   a Signing of Joint undertaking by MVS by GPs and MVS-WSC ***(Annexure-IV)***
   b Service agreement for O&M of MVS(common facilities)-MVSWSC-DWSC-Operator **(Annexure – V)**
   c Service agreement for O&M of intra-village facilities of MVS –GPWSC-DWSC –Operator ***(Annexure –VI)***
12) Collection of community contribution (Cash or labour) as per affordability

II) Implementation Phase
13) Entrustment of work as per rules of GoAP
14) Taking community feedback on quality of work
15) Completion of the scheme and sign-off by GP-WSC and/ or MVS-WSC for bulk meter supply
16) Oversee the supply of designed quantity and quality water to the community and sanitary facilities provide
17) Taking over of scheme by GP-WSCs

III) O&M Phase
18) Fixation of tariff by GP-WSCs
19) Training by construction contractor on O&M to GP-WSC
20) O&M of SVS & MVS
21) Collection of water charges/ O&M user charges (by GP-WSC), as fixed by the GP-WSC in the Gram Sabha to maintain the scheme to the desired level by GP-WSC
22) Internal Audit

5. As a part of 'SWAP' mode, these activities being implemented under APRWSSP, shall be implemented for all programmes irrespective of source of funding with consistent policies and institutional arrangements in the six Project districts i.e. Adilabad, Mahabubnagar, Karimnagar, Kadapa, Prakasam and Visakapatnam, with immediate effect.

6. The activity wise details to be implemented are appended in the appendix to the G.O.

7. The Engineer-in-Chief, Rural Water Supply and Sanitation Department, A.P. Hyderabad and the Project Director, A.P. Rural Water Supply and Sanitation Project, Hyderabad are requested to take further appropriate action in the above matters to ensure compliance.

8. The CEO, ZPs and the DPOs shall review the implementation of the above orders in its letter and spirit. The DWSC under the leadership of the District Collectors shall review the implementation of the above orders every quarter and report compliance to Government.

9. This order is issues with the concurrence of Panchayat Raj Department.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Vikas Raj,
Secretary to Government.

To
The ENC, RWS&S Dept., A.P. Hyderabad
The PD, APRWSSP, Hyderabad.
The Project Managers of DPUs of 6 Districts (Visakhapatnam, Karimnagar, Kadapa, Prakasam, Mahabubnagar and Adilabad)
The Project Director, SWSM, Hyderabad
The Project Director, CCDU, Hyderabad.
The Chief Engineer, RWS&S,NABARD,NORMAL,State Plan and V&QC, Hyderabad through ENC, RWS&S, Hyderabad.
The Commissioner, PR, Hyderabad
All the District Collectors.
C/to the OSD to M(PR&RWS)
C/to the PS to Secy, RWS
SF/SCs.

//FORWARDED BY ORDER//

SECTION OFFICER.

(C.No.16127/RWS.III/A2/2012)

APPENDIX

I) Planning Phase:

1. Make GPs understand roles and responsibilities.

At present, the role of the RWSS sector is that of a provider of RWSS assets. In view of decentralization and devolution of roles and responsibilities pertaining to planning, implementation and O&M of water supply related assets to ZPs and GPs, the RWSSD role should gradually transform into that of a facilitator and that of technical support provider to the ZPs and GPs.

Capacity building of PRIs in the above lines is already in practice under CCDU activities and the same shall be further strengthened under 'CCDU'.

2. Form GP-WSC (in case it does not exist).

As per GO Ms No 460, Dt: 19.12.2002 of PR & RD (RWS II) Dept. and "Swajaladhara guidelines" communicated by GOI, some GPWSCs were already formed under the erstwhile "Swajaladhara" program. As a part of devolution of powers and functions to PR institutions under 73rd amendment of constitution, it is clearly defined under the "Annexure"- "Distribution of functions and funds" that GPs should form Water and Sanitation committees and levy and collect the user charges for O & M of water supply schemes vide GO.Ms. No. 569, Dt: 22-12-2007 of PR & RD (RWS.I) department.

In the similar lines, formation of GPWSCs shall be taken up & implemented for all programs.

In the internal order issued on project design and implementation arrangements (G O Ms No. 318, Dt: 28.10.2009, of the PR & RD (RWS.III) Dept.), it is clearly mentioned that the DWSC will work with the GP Water Supply and Sanitation Committee (GP-WSC), a sub-committee of the GP, to plan, design and implement the SVS and the intra-village facilities of the MVS, duly detailing about the composition of the GP-WSC (both for plain and tribal areas) in the Annexure-VII to the GO.

The above GO also says that the RWSSD Divisions will assist the DWSCs to form Multi Village Scheme Water Supply Committees (MVS-WSCs) comprising Chairpersons of the participating GPs, duly detailing about the composition of the MVS-WSC in the Annexure-VIII to the GO. RWSSD will support the DWSC to plan, design and implement the MVS in participation with the MVS-WSC.

Hence GP-WSCs & MVS-WSCs shall be constituted as above and the same procedure followed for all programs in all the districts.

3. Prepare Preliminary Scheme Report (PSR) for water supply and sanitation Activities in the village:

Preparation of Preliminary Scheme report/proforma estimate/ line estimate before obtaining administrative sanction for any project is already under practice in RWS&SD and it can be continued further.

Additionally, the GP-WSC is to be fully involved in the preparation of the PSR, including site selection, technical design, service levels and community contributions for capital cost and O&M cost of the scheme. Village level sanitation activities also to be part of the PSR.

(contd..2)

4. **Create Awareness on Community contributions for capital cost and O&M cost of the scheme.**

The basic principle of former Sector Reform Programs like "Swajaladhara" was partial (10%) capital cost sharing and full operation & maintenance responsibility by the users. Hence the rural population is already acquainted to this concept which can be reiterated to the Community by conducting Gram Sabhas. This should also ~~from~~ form a part of IEC campaign.

5. **Take up Village level sanitation activities under TSC Programme.**

In accordance with Go Ms No.250, PR&RD(RD-II) dept.. dt. 27-08-12, the village level sanitation activities are already taken up under TSC Programme duly utilising the Services of SHGs through SERP. SHGs will carry out motivation activities under 'TSC' to create awareness on Sanitation with focus on creating awareness and demand on health, hygiene, and sanitation at the community level, and on motivating the communities in groups to attain Open Defecation Free status. As a part of this programme, Community Contribution for Capital cost and O&M cost of the scheme, depending upon their affordability either in the form of Cash or kind shall also be taken up.

6. **Preparation of detailed project report (DPR).**

Preparation of DPRs for all schemes is a regular practice in RWSSD and it will be continued further as further elaborated in G.O. Ms. No. 95 of PR&RD (RWS) Department, dt. 10.05.1999.

7. **Discussion of DPR by the GP-WSC at the Gram Sabha meeting.**

Any project in RWSSD is presently being formulated based on the requirements to be met at the gross root level. In accordance with the World Bank Guidelines, after preparation of DPR, it will be displayed at prominent public places in the village, including the GP notice-board and the detailed provisions discussed by the GP-WSC at the Gram Sabha meeting.

This concept of discussion of detailed provisions of DPR in the Grama Sabha can be implemented for all programs, as is being done for APRWSSP.

8. **Incorporation feed-back from the Gram Sabha, and endorsement of DPR and signing-off by the GP-WSC.**

After discussions of the detailed provisions in the DPR at the Gram Sabha meeting, necessary changes in provisions of the DPR can be made as per the feedback and the DPR can be got endorsed and signed off by the GP-WSC.

9. **Signing of undertaking by the GP-WSC as per (*Annexure-I)***

10. **SVS :**

***a)* Signing of Joint under taking by GP to participate in the SVS – Between GP and DWSC as per (Annexure-II)**

b) Service agreement for O&M of SVS for for single village scheme – GPWSC – DWSC - operator (Annexure – III)

(contd..3)

This joint under taking between DWSC and GP comprises of roles and responsibilities of the two parties apart from the objective, scope, duration and the date of effectiveness of the JU.

11. MVS :

***a)* Signing of joint undertaking for MVS by GPs and MVS-WSC as per (Annexure - IV)**

b) Service agreement for O&M of MVS(common facilities)-MVSWSC-DWSC-Operator (Annexure – V)

c) Service agreement for O&M of intra village facilities of MVS – GPWSC-DWSC-Operator (Annexure – VI)

This joint under taking between GPs and MVS-WSC comprises of roles and responsibilities of the two parties apart from the objective, scope, duration and the date of effectiveness of the JU.

Accordingly, after finalisation of DPR, signing of Joint undertaking by GPWSC/MVWSC shall be done at the appropriate time.

12. Collection of community contribution(Cash or labour) as per affordability:

Under SWAP mode the GP will contribute towards the cost of all new investments (amount not to exceed 10% of capital cost or Rs. 500 per household, whichever is lower), through funds raised from beneficiary households. The community contribution for the Scheduled Caste (SC), Scheduled Tribe (ST) and BPL households will be on a concessional basis (amount not to exceed 5% of capital cost or Rs. 250/- per household, whichever is lower). The above contributions may be in cash or labour, as decided by the GPs.

II) Implementation Phase:

13. Entrustment of work as per rules of GoAP

The prevailing procedures, as per the rules of GoAP, for entrustment of works shall be continued.

14. Taking community feedback on quality of work

Communication and Capacity Development Unit (CCDU) will conduct annually.

15. Completion of the scheme and sign-off by GP-WSC and/ or MVS-WSC for bulk meter supply.

16. Oversee the supply of designed quantity and quality water to the community and sanitary facilities provided.

These activities are feasible for implementation and the activities of 'Sign-Off by GPWSC/MVSWSC for bulk water supply' can be done duly formulating the relevant Bye laws as detailed in the next point.

(contd..4)

17. Taking over of scheme by GP-WSC / MVS-WSC for O&M

Hitherto RWS&SD is handing over the completed SVS after commissioning to concerned GPs and MVS to ZPs for O&M through collection of water charges from households. According to GO.Ms. No. 569, Dt: 22-12-2007 of PR & RD (RWS.I) dept., the GPs should levy and collect user charges for O & M of Water Supply schemes. On similar lines, in present case, the schemes after completion can be handed over SVS to GPWSC which is a sub- committee of GP and MVS to MVSWSC for O & M.

III) O & M Phase:

18. Fixation of tariff by GP-WSCs

While designing the tariff, the main principles of equity, affordability and willingness to pay will have to be taken into consideration on actual cost basis, duly making a suitable provision for escalation, in both cost as well as tariff.

The tariff setting and O & M of the SVS will be the responsibility of the concerned GP-WSC in coordination with GPs. The O & M of the common facilities (bulk water supply) for the MVS will be the responsibility of the MVS-WSC as per the GO cited in the preceding point.

The concerned GPWSCs under the MVS are responsible for collecting the water tariff as per GoAP bulk water policy from the community of GPs concerned covered under MVS and GPWSC concerned will transfer-------- % (as agreed) of the water charges to MVSWSC towards bulk water charges i.e. O&M of common facilities and retain rest of the water charges for the O&M of intra-village facilities. In case of high cost schemes, where the O&M cost of the common facilities exceeds the community contributions (amount due from community and not amount actually collected) from various GPs, this shall be subsidised by the GP for SVS and ZP for MVS. The Government may provide scheme based direct / indirect subsidy when large repairs or replacements are required.

The per capita O&M cost of common facilities can be estimated for MVS duly including electricity charges, disinfection cost, system & staff cost, & repairs & renewal cost.

The cost of intra-village facilities will be similar to SVS excepting that cost of power is much less or not there at all since there may not be any pumping within the village; and there are no disinfection costs as disinfection is done at the source outside the village.

The guidelines for estimation of tariff for MVS is detailed in **Annexure - VII.**

19. Training by construction contractor on O&M to GP-WSC

Communication and Capacity Development Unit (CCDU) will coordinate.

(contd..5)

20. O & M of SVS / MVS

The O&M of SVS and intra-village facilities of MVS will be the responsibility of concerned GPWSC in coordination with GPs and common facilities for the MVS will be the responsibility of the MVSWSC concerned. Necessary service agreements as at Annexure-III for O&M of SVS and Annexure-V and VI for O&M of MVS will be executed between GPWSC,DWSC and Private operator concerned.

The ENC (RWSSD), Hyderabad can further modigy the same as per the requirement.

21. Collection of water charges/ O&M user charges (by GP-WSC), as fixed by the GP-WSC in the Gram Sabha to maintain the scheme to the desired level by GP-WSC.

These activities are implementable as per existing practice and O & M policy of the Govt. in order to enhance financial sustainability of schemes.

As specified above, collection of water charges (tap connection charges) and O & M user charges (monthly tariff) for O & M of water supply schemes by GPs is already in practice in some of the rural areas.

This practice of O & M of schemes by collecting water charges and water user charges at a pre-fixed tariff by GPWSCs can be strengthened based on the household affordability level.

22. Internal Audit :

Under APRWSSP,a system of quarterly internal/ concurrent audit by independent firm(s) of Chartered Accountants, covering the activities at the District and the State level is to be conducted (in addition to the present system of AG audit) to review that the systems, procedures and rules of the GoAP as applicable to the various programs in the districts are being adhered to across various levels in the program.

In the similar lines, the same system can be adopted for internal audit / Concurrent audit in respect of rest of the programs also in the districts. Necessary provision will be made in the budget towards audit under various grants.

Vikas Raj,
Secretary to Government.

Annexure –I – GP-WSC Bye Laws

GRAM PANCHAYAT WATER SUPPLY & SANITATION COMMITTEE (GPWSC)

In exercise of powers vested in it as per provisions of section XX of the Andhra Pradesh Panchayat Raj Act, 1994, the _____ Gram Panchayat, _____ Mandal, _____ District vide resolution No _____, hereby constitutes the Gram Panchayat Water Supply & Sanitation Committee (GP-WSC) namely _____ Gram Panchayat Water Supply and Sanitation Committee (GP-WSC).

The GP-WSC is constituted for the purpose and with powers and functions as given in the Bye-Laws below, adopted by the Gram Panchayat vide this resolution.

Bye laws of GP-WSC

Jurisdiction

1. The jurisdiction of this committee encompasses only those participating villages/ habitations covered for Rural Water Supply & Sanitation as mentioned:

Gram Panchayat	Name of Revenue Villages		Name of Habitations	
	1		1	
			2	
	2		1	
			2	

Purpose/ Objectives

2. The objectives/ purpose of constitution of the GP-WSC is the following:

2.1 To work as an extended arm and Sub-Committee of the Gram Panchayat (GP) and be responsible for all activities related to water supply and sanitation in the gram panchayat.

2.2 To disseminate the knowledge and create awareness among the villagers about the water and sanitation sector in general and policies, programmes and projects in particular including aspects related to health & hygiene.

2.3 To mobilise benefiting communities for a group action, specially in respect of community contribution towards the capital cost of the water supply and sanitation projects.

2.4 To participate in planning, construction and operation and maintenance of amenities related to water supply and sanitation.

2.5 Sign off during planning, designing and implementation stages

2.6 To co-ordinate (if applicable) with Multi Village Water Supply & Sanitation Committee (MVS-WSC) related to O&M of common facilities and bulk water supply in case of Multi Village Scheme (MVS).

2.7 To fix, revise and collect water charges from the community.

2.8 To ensure equitable access/ supply to all households including the hamlets.

Composition

3. The Committee shall include the following:

3.1 In case of plain areas:

GP Sarpanch : Chairman
Elected ward members of participating villages : Members
GP Secretary : Secretary
Representatives of SHG/ Youth Group/ Citizen : Members
1/3rd of the members shall be SC/ ST
1/3rd of the members shall be women
Minimum number of members – 8
Maximum number of members - 12

(contd..2)

3.2 In case of tribal areas:

Tribal GP Sarpanch	: Chairman
Elected ward members of participating villages	: Members
GP Secretary	: Secretary
Representatives of SHG/ Youth Group/ Citizen	: Members

50% of the members shall be ST
1/3rd of the members shall be tribal women
Minimum number of members – 8
Maximum number of members - 12

4. The members shall have attained the age of eighteen years or above
5. The term of the Committee shall be co-terminus with the term of the Gram Panchayat. During the tenure if an Administrator/ Administrative Committee is appointed, the GP-WSC shall continue to function. The Chairman of the GP-WSC would be the Administrator/ the Chairman of the Administrative Committee. The GP-WSC shall continue till the newly elected Gram Panchayat reconstitutes it.
6. The Vice-Chairman and a Treasurer of the Committee shall be selected/ elected from among the Committee Members by the members.
7. The Vice-Chairman shall chair the meetings of the Committee in the absence of the Chairman.

Functions of the GP-WSC

8. The Functions of the GP-WSCs shall be the following:

General

8.1 The members should have a strong concern for equity and pro poor bias
8.2 The members should be gender sensitive
8.3 The members should be willing to volunteer for the work entrusted with them
8.4 The members shall provide information related to the project to other members to enable them to take informed decisions
8.5 Ensure preparation of all reports about status, progress of schemes, implementation and submit the same to all concerned
8.6 The Committee will be jointly and severely responsible for truthfulness, transparency and prudence in management of all aspects of the Group

Planning

8.7 To decide upon seeking, as deemed necessary, external help through Gram Panchayat, for planning water supply and sanitation activities within the Gram Panchayat.
8.8 To plan for rehabilitation, of the existing and/ or construction of new facilities including deciding on service levels, technology choice, design, layout/ locations.
8.9 To put forth the requirement of the community in terms of infrastructure, site selection and technology preferences to MVS-WSC in case of MVS.
8.10 To participate in the preparation of Community Action Plans encompassing technical (detailed scheme report), financial (mobilizing community contribution) and institutional aspects (procurement, supervision, etc).
8.11 To collect, manage and maintain the accounts pertaining to the community contribution.
8.12 To request GP to convene Gram Sabha meeting and disseminate/ discuss/ seek as and when required, endorsement for the plans.
8.13 To sign off final scheme design for SVS and Intra village facilities of MVS.

Implementation/ Construction

8.14 To sign off payments made during the implementation stage of SVS and Intra village facilities of MVS.
8.15 To participate in the socio-technical inspection process of the completed schemes in its jurisdiction.

(contd..3)

Operation & Maintenance

8.16 To plan for operating and maintaining the GP water supply through SVS (or intra-village facilities of MVS including OHSRs) and sanitation facilities in the village/ habitations under its jurisdiction, in consultation with the Gram Sabha.

8.17 Operation & Maintenance activities shall include water treatment, chlorination minor repairs, cleaning of pipes apart from normal O & M activities.

8.18 To sign contract with Private Operators selected for O&M of SVS (or intra-village facilities of MVS).

8.19 To fix, revise and collect water charges from the community for the purpose of sustainable O&M of ~~the~~ all the infrastructure created for water supply under SVS & MVS.

8.20 To ensure that each and every household/ section have equitable access to water supply and sanitation facilities and those resources are put to an efficient usage.

8.21 To ensure the quality and sufficient quantity of drinking water

8.22 To prepare and revise, as and when necessary, water distribution management plan.

Powers of the GP-WSC

9. The GP-WSC shall have the following powers:

9.1 To engage the services of workers (Watchmen, Pump Operator, Valveman, etc.) required for the O&M of the infrastructure created. The workers, who are thus engaged, would work under the control of GP-WSC.

9.2 Sign off during the planning, designing and implementation stage

9.3 The Chairman will have powers to grant casual leave to workers working for the purpose of water supply and sanitation in the village/s and due to any reason if the workers duty is not satisfactory, the committee has the power to remove them and engage the services of a new worker.

9.4 The payment of the wages etc. and payment of bills for any work connected with construction, operation and maintenance of water supply and sanitation schemes in the GP shall be made by the Secretary only on obtaining an attendance certificate and a satisfactory performance certificate by the Chairman of the GP-WSC.

9.5 The Committee shall have power to collect water supply and sanitation tariff/ user charges from the community.

9.6 The committee shall request the GP to fix/ revise water supply and sanitation tariff/ user charges at a level sufficient to meet the full O&M costs.

9.7 The report of the activities and financial transaction of the committee shall form part of the report of Gram Panchayat to be placed before the Gram Sabha once in six months.

Powers of the Chairman/Vice-Chairman/Village Committee Members

10. The Chairman, Vice-Chairman or the GP-WSC members will have powers to individually or collectively supervise and inspect the water supply and sanitation works and workers engaged in any work connected with water supply and sanitation.

Accounts of GP-WSC

11. The GP-WSC shall follow the procedures as below:

11.1 A separate Bank Account in a scheduled bank shall be opened by the GP-WSC in respect of water supply schemes including the sanitation schemes linked thereto. Opening of such a separate account shall be authorised by the Gram panchayat by passing a specific resolution to that effect and empowering the GP-WSC. The account shall be named as _____, Gram Panchayat Water Supply and Sanitation Committee Account.

11.2 All taxes, fees, rates and other receipts relating to the scheme shall be credited to this account and all payments relating to the O&M of the scheme shall be made from this account.

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11.3 The amount kept in the aforesaid Bank Account may be withdrawn by cheques signed jointly by the Chairman, GP-WSC and the AEE of RWS Department.

11.4 While preparing the budget of the Gram Panchayat, a forecast of the receipt and expenditure relating to each GP-WSC should be prepared separately in consultation with the GP-WSC and incorporated in the budget of the Gram panchayat as a part of thereof.

11.5 The wages and allowances of personnel employed exclusively for operation and maintenance of the scheme shall be met from the bank account relating to the scheme. But if any practical difficulties are encountered in respect of this arrangement, the relevant charges may be met initially from the funds of the Gram Panchayat and recouped from the bank account of the GP-WSC at monthly intervals.

11.6 The Committee may from time to time invest surplus cash from the aforesaid bank account in interest bearing deposits, securities etc. The instruments relating to such investments shall be in the name of and in the custody of Gram Panchayat but their separate identity should be maintained in the records of Gram Panchayat. When the securities etc are en-cashed the proceeds shall be credited to the bank account of the scheme. The interest or other income realised from such investment shall also be credited to the bank account and treated as income of the water supply and sanitation schemes of the village/s concerned.

11.7 The Chairman, Vice-Chairman and members of the Committee will work purely on a voluntary basis and will not be eligible for any sort of allowances, fees or honorarium for working in this Committee.

11.8 The GP-WSC will ensure that any community member and/ or GP member will have access to any information or documents relating to water supply and sanitation activities. The books of accounts will be made available for audit as and when desired by the GP.

11.9 The accounting rules and instructions applicable to the transactions of the Gram Panchayats and developed for the project will apply to the transactions of the scheme accounts operated by the GP-WSC. The Secretary of the Gram Panchayat will act as an Accountant to the GP-WSC also and will maintain necessary accounts as per the budget and account rules of the project. The monthly and annual accounts of the scheme drawn up in accordance with these rules/ instructions should be incorporated in the accounts of the Gram Panchayat and will be subject to the normal statutory audit that the Gram Panchayat is subject to.

Meeting

12. The GP-WSC shall meet at least once in a month. The GP-WSC shall convene monthly meetings to review the maintenance of water supply and sanitation infrastructure and take remedial measures in case of leaking/ damaged pipelines and other system components like taps, valves etc.

13. The meeting of the Committee can be called by the Chairman or in default by the Secretary or by 1/3 of the members of the Committee by giving a notice of 3 clear days. The Secretary shall maintain the proceedings of the Committee.

(contd..5)

-: 5 :-

UNDERTAKING BY GPWSC

This undertaking given by _____ Gram Panchayat Water Supply & Sanitation Committee (GP-WSC) of _____ Gram Panchayat, _____ Mandal, _____ District to the GP is made out on this _____(date) day of _____(month) _____(year) as follows:

1. This is to confirm that the _____GP-WSC has agreed to participate through contribution of cost sharing towards the capital cost of the project and to maintain the components and systems created.
2. We agree to contribute towards the project an amount of Rs. _____ (Rupees _____ only), which constitutes XX% of the estimated capital cost towards water supply and XX% of estimated cost towards sanitation works. We expect that the Government will contribute the remaining capital cost of the project as prescribed in project guidelines.
3. Out of the above mentioned contribution of Rs _____, the GP-WSC will contribute Rs _____ (Rupees _____ only) in cash and the beneficiaries of the scheme will contribute the balance through labour.
3 The above mentioned cash contribution of Rs. _____ will be mobilized and deposited in the GP-WSC Account within _____ (date).
4 We agree to manage construction fund collected from the community.
5 On behalf of the villagers we agree to operate and maintain the water supply systems (SVS & intra-village facilities of MVS including OHSR) under the guidance of the GP/Concerned authorities.
6 We agree on behalf of the people of the village that with their co-operation we will maintain internal drainage and lanes and other facilities created in the village under the project.
7 We agree to convince the people to maintain overall cleanliness in the village.
8 We agree to collect water supply and sanitation tariff/ user charges on behalf of the GP, fixed by the GP as proposed by the committee, sufficient to meet the O&M expenditure of water supply and sanitation scheme.
9 We shall manage income and expenditure on no profit no loss basis.
10 We will manage to collect the water tariff and execution of other O&M works by engaging the services of required number of person from the same village.
11 We agree to co-ordinate with MVS-WSC for O&M of common facilities and bulk water supply in case of MVS.
12 We agree to pay bulk water charges fixed as per GoAP bulk tariff policy to the MVS-WSC towards O&M of common and intra-village facilities of MVS.
13 The personnel engaged by GP-WSC for O&M will not get any financial assistance from the Government or GP.
14 We will utilize the services and skill of those trained under this project such as pipe layers, operators, pump operators, hand pump caretakers etc.
15 The committee in the interest of the community shall maintain a healthy and mutually supportive relationship between the user community/ GP and the concerned Government departments.
16 We shall pay electricity bills within the due date regularly.
17 We shall maintain the accounts in the prescribed format. The statement of accounts shall be submitted to the GP and other concerned departments through GP and ensure for special audit.
18 We shall take up repair/ maintenance works in the interest of the community and supply water to the community. The committee shall meet the expenditure on such works.
19 We shall meet the residents of every street of the project villages and shall form a committee in every street (Street Vigilance Committee) for maintaining a clean environment and also encourage them to upkeep the street and cleaning/ maintenance of drains.
20 We shall request the Gram Sabha to meet once in three months and discuss problems and draw appropriate corrective measures.
21 We shall ensure to insure machinery and pump sets and all other assets created in the project villages in the interest of the user communities.
22 We agree to extend our full co-operation to the GP throughout the project period to facilitate the successful and timely implementation of the project and thereafter during the O&M and post O&M periods of the project.
23 We will abide by all directions issued by the GP from time to time.

Date:
Place:

Chairman, _____GP-WSC
Vice-Chairman, _____ GP-WSC
Treasurer, _____GP-WSC
Secretary, _____GP-WSC

Vikas Raj,
Secretary to Government.

Annexure II – Joint Undertaking by GPs to participate in SVS

MoU – 1(a)(ii)

Joint Undertaking (JU)
For
Single Village Scheme

Between

District Water and Sanitation Committee (DWSC)
And
Gram Panchayat (GP)

This Joint Undertaking (JU) is entered on ---------- day of --------- 20XX between:

(i) The _____ District Water and Sanitation Committee (DWSC) (hereinafter called the **first** party)

(ii) The _____ Gram Panchayat (GP) (hereinafter called the **second** party)

Preamble

The Department of Rural Water Supply and Sanitation, Government of Andhra Pradesh is implementing a Medium Term Rural Water Supply and Sanitation Program (hereinafter called the Program) with the objective of providing to the rural communities increased access to improved, potable and sustainable drinking water and also to strengthen the decentralization of water supply and sanitation service delivery.

i. The **first** party has been established by Government and entrusted with it the responsibility to spearhead the implementation of the Program throughout the District, including provision of technical, social, financial, organizational and managerial support to the second party in successfully implementing the Program.

ii. The **second party**, in their Gram Sabha meeting has resolved to accept the key program principles and implement the Program for *single village scheme* to be carried out in accordance with the program guidelines as approved by the State Water & Sanitation Mission (SWSM) and also as per the Operational Guidelines developed and communicated to both the parties from time to time by the GoAP

Now therefore, this JU is agreed to amongst the authorized representatives of the two parties.

2. Objective

This JU defines the roles and responsibilities of the two parties, so as to enable them to work together as partners.

3. Scope of the JU

i. The two parties undertake to co-ordinate, participate, support and manage the single village scheme including operation and maintenance of the assets, existing or newly created, in accordance with this JU.
ii. The activities under this JU shall be carried out in accordance with the Program guidelines as approved by the Department of Rural Water Supply and Sanitation and also as per the Operational Guidelines developed and communicated to the second party from time to time by the first party.
iii. The activities and the work shall be carried out within the geographic boundaries of ---------- District/ Mandal/ Gram Panchayat.

(contd..2)

4. Duration of the JU and Date of Effectiveness

Duration of the JU shall be during the entire scheme cycle from the date of signing the JU. The activities related to the establishment of O & M shall commence from the date of commissioning of water supply scheme.

5. Roles and Responsibilities of the First Party (DWSC)

The first party agrees to undertake the following roles and responsibilities:

i. To plan,design and implement single village scheme
ii. To accord administrative approvals and authorisation for release of payment by Executive Engineer through PAO.
iii. To arrange for dissemination of Program information including key principles, approaches and methodologies, components and activities etc. to the village community.
iv. To arrange for implementing social mobilization, IEC and capacity building activities relating to the Project.
v. Be responsible for the district level RWSS program, including annual plan and budget, appraisal and approval of schemes (packaging of schemes based on their cost effectiveness)
vi. To take a decision on the works to be carried out at the district level and the requirement of engineers
vii. To contract the services of Support Organizations, SHGs, etc., for availing social mobilization, IEC and other capacity building support services.
viii. To arrange for technical support to GPWSCs in collection of field data, helping the village community on deciding affordable and feasible technical options, and in preparing rough cost estimates, in preparation of Detailed Scheme Reports etc.
ix. To arrange for building the capacity of the GPs/ GPWSCs in technical and engineering aspects including water quality monitoring, operation and maintenance aspects.
x. To undertake periodic review of the district policies, targets and achievements and M&E
xi. To enable evaluation studies, impact assessment surveys etc. and share the key learning with all concerned.

6. Roles and Responsibilities of the Second Party (GP)

The second party agrees to undertake the following roles and responsibilities:

i. To form a GPWSC within the provisions of the Panchayat Act and ensure its functioning
ii. To manage Rural Water Supply and Sanitation activities internal to the village(s) under the SVS including sign-off at all stages of designing, implementing, and operating and maintaining all Water Supply and Sanitation facilities.
iii. To participate in planning, construction and operation and maintenance of amenities related to all facilities of SVS including OHSR.
iv. Agree to mobilize users' share of capital cost, wherever applicable, for setting-up water supply and sanitation facilities from among the village community.
v. To contribute capital cost of the project collected from the community.
vi. To collect water charges from the community as per Government Order (GO) issued by GoAP.
vii. To ensure equitable access/ supply to all households including the hamlets.
viii. To enable the GPWSC in preparing and implementing the village vision, strategy and action plan for developing the water supply and sanitation sector of the village.
ix. To perform all activities in respect of providing water supply and sanitation facilities and services to the village community.
x. To discuss the Community Action Plan prepared by community with the first party.
xi. To disseminate information, create awareness and educate the village community on all aspects of water supply and sanitation including health and hygiene aspects and water resource management.

(contd..3)

xii. To carry out all activities under this JU utilizing participatory methodologies so as to ensure participation of women, youth, scheduled castes and poor in the village community.

xiii. To receive funds, if required, and utilise the same as per rules and the guidelines of the Program and in accordance with prudent financial management principles.

xiv. To comply with the principles, rules and guidelines issued by the first party/ RWSS Department from time to time.

xv. To open and operate bank accounts, for transacting all amounts received and expended for implementing the Program as well as operating and maintaining the schemes.

xvi. To maintain up to date and accurate books of accounts, as per approved Financial Management Manual and make available records for audit/ inspections. The second party shall rectify the anomalies or deficiencies pointed out by the auditing at the earliest.

xvii. To procure works, goods or services, if required, including storage and control, for carrying out various activities under this JU in accordance with the guidelines.

xviii. To utilise and monitor the services of a Support Organisation/ SHG for availing necessary assistance and community development services for implementation.

xix. To mobilize the villagers for community action to solve the water supply and sanitation related problems of the village.

xx. To do all the activities under this JU in a transparent manner providing key information to all members in village community including setting up of display boards.

xxi. To report monthly progress of Program activities/ any other agency nominated on a regular basis.

xxii. To supervise all works and other activities under this JU and to ensure conformity with quality and design parameters as per approved plans, estimates and other guidelines.

xxiii. To co-operate with the first party for inspection, verification, audit, evaluation and studies agencies authorized by the first party and implement corrective actions recommended.

xxiv. To carry out surveillance and monitoring of water quality and environmental sanitation.

xxv. To prepare Implementation Completion Report in respect of all Community Action Plans and submit to the first party.

7. Disputes

Any disputes between the parties arising out of this JU shall be settled, in the second instance, through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter shall be referred for arbitration to the SWSM and its decision shall be final and abiding for both parties.

8. Appendices

The following documents given in appendices to this JU shall be deemed as part of this JU:

i. Gram Panchayat Resolution by the second party dated ……..

We the undersigned on behalf of the respective institutions shall maintain the integrity in functions and abide by the contents of this JU for effective implementation and achievement of the objectives of the Program.

For and on behalf of District Collector, DWSC	**For and on behalf of Chairman, GP**
Witnesses[1]	**Witnesses**
Name and Address	Name and Address
Signature……..	Signature……..
Name and Address	Name and Address
Signature……..	Signature……..

Vikas Raj,
Secretary to Government.

[1] At least one of the witnesses shall be a woman

Annexure - III - Service Agreement for O & M of Single Village Water Supply Scheme

Agreement 1(c)

Agreement (Agreement No……)

THIS AGREEMENT (hereinafter called "the Agreement") is made this …….[*insert date*] (the "Commencement Date")

BETWEEN

The Chairman, GPWSC of …….. [*Insert address*] GP (herein after called the **"GPWSC"**), which expression shall where the context so admits include his succession in office

AND

The District Water and Sanitation Committee of ……[*Insert name of District*] (hereinafter called the **"DWSC"**), which expression shall where the context so admits include his succession in office

AND

The [*name and address of the Private Operator*] herein after called **"Private Operator"** which expression shall where the context so admits included his successors, administrators, heirs, assigns and nominees

herein executes administrative and legal representations of the work **"……. [*name of scheme*]** for the year 200_ - 200_, estimated cost of **Rs._(Rupees ….)".**

WHEREAS the Chairman, GPWSC wishes to delegate responsibility for Operation & Maintenance (the "O&M") of the **……. [*name of scheme*]** Single Village Water Supply Scheme (the "SVS") within the geographical area of its operations to a Private Operator, and for the Private Operator to perform the service required for the O&M of the SVS.

WHEREAS the DWSC has been established by Government and entrusted with it the responsibility to spearhead the implementation of the Program throughout the District, including provision of technical, social, financial, organizational and managerial support to successfully implement the Program.

WHEREAS the …… [insert name of private operator] (Private Operator) has been established under the laws of India and is keen to provide O & M services to the SVS.

AND WHEREAS all the three parties agree and acknowledge that the services under this Agreement may be extended from time to time and as may be required to meet the needs of the geographical area. Any such variations or additions will be the subject of an extension to this Agreement and will be as per the rules under the Agreement terms and conditions.

1. Representation and Warranties:

AND WHEREAS the GPWSC represents and warrants that:

(a) GPWSC has full power and authority to execute, deliver and perform its obligations under this agreement and to carry out the transactions contemplated herein;

(b) This agreement constitute its legal, valid and binding obligation enforceable against it in accordance with the terms hereof;

AND WHEREAS the Private Operator represents and warrants that:

(a) It has full power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein;

(b) There is no litigation to which the Private Operator is a party or of which the Private Operator is aware which would materially affect its ability to perform its obligations under this Agreement and the transactions contemplated herein.

(contd..2)

NOW, THEREFORE, in consideration of the mutual promises and undertakings described herein, the Agreement stands as below.

2. **Services to be performed:** Services to be performed by the Private operators is given in ***Annexure A.***
3. **Duration of the Agreement:** This Agreement shall remain in Force from ……. to …… unless terminated earlier in accordance with the provision of this Agreement or the period is extended through a mutually agreed amendment to the Agreement.
4. **Documents:**
    a. Definitions & Interpretation
    b. Terms & Conditions of the Agreement
    c. Scope of Work of Private Operator
    d. Roles & Responsibilities of the three parties

Signature	For and on behalf of Chairman, GPWSC	For and on behalf of District Collector,
DWSC Name of Private Operator Address: …… …… …….. Date:…… Place:……	..... GP Address:…… …… …….... Date:…… Place:……	…….. District Address:……. ……. …… Date:…….. Place:……..

Section I

Definition and Interpretations

In this agreement the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them.

1. **"Agreement"** means this Agreement signed for and behalf of the Chairman, GPWSC, District Collector, DWSC and the Private Operator (each a "Party" and collectively "Parties") for Operation and Maintenance of rural water supply through Single Village Scheme.
2. **"Chairman, GPWSC"** means such person or persons as may be authorized in writing by GPWSC to act on its behalf under this Agreement and shall include any person or persons having authority to exercise any rights or perform and fulfill any obligations of GPWSC under this agreement.
3. **"Commencement Date"** means date on which the agreement is signed.
4. **"Agreement Period"** means the period beginning from the Commencement Date and ending on the Terminate Date.
5. **"Force Majeure"** a Force Majeure events means any event or circumstance and or a combination of events and circumstances (a) which are beyond the reasonable control of the affected party (b) which such party could not have prevented or reasonably overcome with exercise of reasonable skill and care in relation to the implementation of the project (c) which do not result from the negligence of such party and or the failure of such party to perform its obligations hereunder.
6. **"Operation and Maintenance"** or **"O&M"** include, unless the context otherwise requires, routine maintenance, periodic maintenance, breakdown maintenance, preventive maintenance, staffing and providing labour for operating the water supply and distribution assets, investigation, engineering, procurement, delivery, installation and other activities incidental to the Operation and Maintenance of SVS.
7. **"Dispute"** means, save where expressly stated to the contrary in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement and so notified in writing by either Party to the other Party;

(contd..3)

Section II
Terms & Conditions

1. Services to be performed by Private Operator

The Private Operator shall be responsible for all activities required to be executed on a day-to-day basis for the successful Operation & Maintenance of the public water supply through SVS. For this purpose, any written order by the Chairman GPWSC would deem to be the legitimate directions required to be complied with. Some of the important activities required to be executed by the Private Operator are highlighted in ***Annexure A***.

2. Service Level

Quantity of Water: It is the responsibility of the Private Operator to ensure and maintain the distribution system such that the consumer can draw on an average at [*specify the LPCD requirement*] during supply hours. If there are public complaints, the GPWSC would measure the quantity of water supply at any of the connection locations as it deems appropriate. In such measuring, if it is found that some of the connections are getting less than the required quantity of water, during the supply hours, then it would be responsibility of the Private Operator to rectify the problem in such a fashion that consumer gets the required quantity of water. If the problem is not rectified within [*specify the number of days*] penalties would be imposed on the Private Operator (as per the Penalty clause).

All leakages of minor nature shall be attended to by the Private Operator within [*specify number of hours*] hours of noticing and major leakages within [*specify number of hours*] hours.

Quality of Water: It is the prime duty of the Private Operator to maintain water quality. The Private Operator shall provide liquid chlorine/ bleaching powder at all head works and reservoirs and administer it to achieve 0.2 PPM residual chlorine at the farthest points in the distribution system.

The Private Operator shall ensure that residual chlorine at each tap point must be maintained between [*specify the PPM*]. The residual chlorine in water at habitation point shall be randomly verified by the Private Operator at the rate of [*specify number of samples*] per day in the project area and the results shall be reported to the Control Room [*name of the place where head works are located*].

3. Duration of Agreement

The Term of the Agreement would be for a period of [*specify period*]. The Agreement can be renewed if the GPWSC and DWSC, after supervision and monitoring, find that the Private Operator has satisfactorily performed the scope of work as described in ***Annexure A***. The GPWSC and DWSC may extend the Agreement for a period of [*specify period*].

The duration of the Agreement can be extended under the following circumstances –

- Force Majeure events
- Political risk events (disruption of construction, strikes)
- Delays during construction or operation not attributable to the Private Operator
- Operating problems that are beyond the control of the Private Operator but not Force Majeure events (lack of appropriate materials and suppliers)

During supervision and monitoring by the GPWSC and/or DWSC, if it is found that the scope of work is not satisfactorily met by the Private Operator, then the Agreement can be terminated before the Term of the Agreement by giving [*specify the number of days*] days notice.

(contd..4)

4. Payment to the Private Operator

The payment to the Private Operator shall be made as per the kilolitres of water supplied with the desired quality [*specify the quality norms*] during a particular month at agreed village points as per the daily records in the Village register and master register in the Control Room at [*name of the place where head works are located*].

- **Fixed Pay:** The Private Operator shall be paid @ [*specify Rs. per kilo litre*] for supply of [*specify in kilo litre*] of water per month of the following quality [*specify the quality norms*].
- **Variable Pay:** The Private Operator shall be paid @ [*specify higher Rs. per kilo litre*] – for supply of [*specify additional YYY kilo litre*] of water per month of the following quality [*specify the quality norms*]. [***The incentive can be quantitative or qualitative – depending on the ground conditions (adequacy of water at source and / or availability of good quality water)].***

5. Payment obligations by GPWSC and DWSC

The power supply charges shall be paid by the GPWSC.

Tariff for water supply shall be decided by the GPWSC. The GPWSC shall have the responsibility for collection, unless it is specifically delegated by the GPWSC to the Private Operator in the Scope of Work of the Private Operator.

GPWSC shall be responsible for payment to the Private Operator from money collected from consumers or from its own or GP resources.

The Private Operator shall submit monthly invoice based on agreed payment terms to the Chairman, GPWSC along with the following documents.

a) Village-wise log abstract of water supplied to the villages signed by Deputy Chairman, GPWSC – with water analysis reports.

b) Wages paid to the operating staff.

c) Inventory of materials / consumables purchased and utilized along with bill details.

The Private Operator shall be paid for the quantity of water supplied every month within 15 days of submission of monthly invoices.

In the event the GPWSC is unable to pay due to low collections and GPs poor financial status, DWSC shall stand guarantee to make good the payment deficits to the Private Operator as per his invoices for the quantity of water supplied every month within 30 days of submission of monthly invoices.

6. Supervision & Monitoring

Supervision and monitoring on a day to day basis or as appropriate shall be carried out by GPWSC. In addition, DWSC shall have the right but not the obligation to carry out additional random checks on all aspects of functioning of the Private Operator and his service delivery. The Private Operator has an obligation to maintain records and accounts provide reports and other information required from time to time. The GPWSC and DWSC will use this information for monitoring.

The GPWSC shall review the Maintenance Reports and inspect the Water Supply and Distribution Assets at least once in every three months during the Terms of Agreement and make out an Inspection Report of such inspection.

The SVS will be regularly inspected by the staff of the GPWSC as per instructions of the Chairman – the staff will thoroughly verify the scheme and all records, registers and water analysis reports. If the performance is found to be inadequate, the GPWSC can seek termination of the services of the Private Operator, after giving notice to the Private Operator and providing adequate opportunities for improvement.

(contd..5)

7. Penalties

The Private Operator may be penalized for non-supply of water and deficiency in supply of water as recorded and verified in the water supply register. The penalties may be imposed by GPWSC for various types of lapses of the Private Operator – improper pumping, inadequate distribution and non- rectification or undue delays in rectification of leakages, and non-compliance with complaint redressal benchmarks. The quantum of penalties for different types of lapses and defaults shall be as indicated in the tender documents used for selection of Private Operator.

8. Dispute Settlement

Any dispute arising between the Private Operator and GPWSC under this Agreement which cannot be settled amicably between the two shall at first be discussed with DWSC for amicable settlement. If no settlement is reached at this stage within [*specify days*] days after these discussions, dispute may then be submitted by Private Operator or GPWSC or DWSC to arbitration in accordance with this provision.

i. An arbitrator shall be appointed by GoAP (Secretary to Govt. RWSS Department)

ii. Proceedings, shall unless otherwise agreed by the Parties, shall be in the District headquarters in the District in which the GPWSC is located and shall be in Telugu / English language

iii. The decision of the arbitrator shall final and binding on all Parties and the decision is enforceable in any court of jurisdiction

iv. During the settlement of disputes, all the Parties shall continue to perform their respective obligations under the Agreement

9. Complaints Redressal

All service related complaints by users of water services, GPWSC or DWSC shall be handled by the Private Operator. The GPWSC shall a set of "complaint redressal benchmarks" within the first 6 months of the commencement of Agreement (e.g. time taken to respond) and monitor the Private Operator's compliance with those standards. GPWSC shall reserve the right to impose Penalty (see Penalty clause) on the Private Operator in case complaint redressal is not done as per the benchmarks.

10.Force Majeure

For the purpose of this Agreement, "Force Majeure" means an event which is beyond the reasonable control of any of the parties, and which makes a party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, Act of God, war, insurrection, riots, civil disorder, earthquake, fire, explosion, storm, flood, hurricane, or other adverse weather conditions, strikes, other political actions, confiscation or any other action by government agencies, market disruption or chemical contamination.

11.Termination

If it is found that the scope of work is not satisfactorily met by the Private Operator, then the Agreement can be terminated before the Term of the Agreement by giving [*specify the number of days*] days notice.

Termination by GPWSC - The GPWSC may terminate the Agreement if any or all of the following occur:

i. The Private Operator fails to remedy an activity failure in the performance of its obligations within the rework period of [specify period] after being notified by the GPWSC.

ii. The Private Operator fails to comply with any final decision reached as a result of arbitration proceedings.

(contd..6)

iii. The Private Operator becomes bankrupt as a result of overspending of funds

iv. As a result of Force Majeure, the Private Operator is unable to perform the services for a period of more than [*specify time period*].

v. The GPWSC in its sole discretion determines that the Private Operator at any time prior to or after the Commencement Date is engaged in corrupt practices or fraudulent practices or misuses their position in which they are placed then it may terminate the Agreement. Corrupt practices refer to misuse of funds and fraudulent practices refer to biased practices related to the project.

Termination by Private Operator - The Private Operator may terminate this Agreement if any or all of the following occur

i. If the GPWSC fails to pay any money due to the Private Operator pursuant to the Agreement within [specify days] and further DWSC fails to pay the same due to the Private Operator pursuant to the Agreement within [specify days].

ii. If the GPWSC has not met its obligations pursuant to this Agreement and has not remedied the Agreement [specify days] after receiving written notice form the Private Operator.

iii. As a result of Force Majeure, the Private Operator is unable to perform the services for a period more than [specify days].

iv. If the GPWSC fails to comply with a decision issued by the Arbitrator during the period until the matter is finally settled by arbitration; or

v. If the GPWSC fails to comply with any final decision reached as a result of arbitration.

Notice of Termination by the Private Operator - If the Private Operator wishes to terminate this Agreement, it shall deliver a written notice of termination giving a notice period [*specify period*] to the Chairman, GPWSC.

12.Agreement Term

The Private Operator shall hand over to the GPWSC all assets of SVS such as pump sets, pipe lines and buildings, electrical / mechanical installations etc., in sound and working condition on expiry of the Agreement Term.

Annexure A: Scope of Work

A. **Maintenance of head works:** All existing head works i.e. [*specify the name of head works*] shall be maintained by the Private Operator.

B. **Maintenance of pipelines:** All pipelines from the head works to the water treatment plants i.e. [*specify the name of treatment plant*], pipe lines from these water treatment plants to the existing reservoirs and distribution network thereafter shall be maintained by the Private Operator.

C. **Pumping of water:** Water from head works at [*name of the place*] to the Ground Level Balancing Reservoir & Ground Level Service Reservoir.

D. **Chlorination of water:** Chlorination at the GLBR, GLSR & other OHSRs located in the SVS as per [*specify the standard*] required and controlling distribution to the gravity mains from GLBR & GLSR by engaging sufficient staff. The necessary daily records have to be maintained by the Private Operator about the quantity of bleaching added etc. at such location.

E. **Cleaning of storage facilities (OHSRs/GLSRs/GLBRs/Sumps):** The Private Operator shall attend the cleaning of OHSRs/GLSRs/GLBRs at each habitation every fortnight and shall attend the cleaning of sumps and scraping of filters media as per the necessity.

(contd..7)

F. **Repairs & renewals:** The Private Operator shall attend repairs in the pipelines i.e. replacing damaged pipelines with new materials and repairs to pump sets whenever the need arises. If any materials are required, the Private Operator shall procure the same class of the materials after due verification of the quality of such materials, labour charges etc. for the work attended for as per SSR or departmental approved rates (duly following departmental procedure).

G. **Maintenance of Register:** Private Operator shall maintain the following records –

a) Water quality testing (chlorine dosage)
b) Pump sets operating times at each pumping station
c) Water distribution timing at each pumping station (bulk meter reading)
d) Personnel on duty
e) Water supply at head works & service reservoirs at each habitation
f) Complaints
g) Details of bills paid

H. **Billing & Collection:** Private Operator shall read the bulk flow meter and prepare the bill for the GP for the water consumed every month & provide the bills to GPWSC. The bill shall be in proportion to the water consumed.

I. **Deployment of staff:** The Private Operator shall engage personnel including technicians for carrying out all the above functions. The electrician, the pump operator and the watchman shall be engaged by the Private Operator for round the clock pumping and watch & ward. All incidental expenses required for running the scheme shall be borne by the Private Operator.

Annexure B: Roles and Responsibilities

1. Roles and Responsibilities of GPWSC

i. Issue written orders that would be the legitimate directions for undertaking O & M of the scheme

ii. Decide tariff for water supply

iii. In case of public complaints, measure the quantity of water supply at any of the connection locations as it deems appropriate

iv. Undertake collection of water charges, unless it is specifically delegated to the Private Operator

v. Supervision and Monitoring of the Private Operator's work

vi. Verify village-wise log abstract of water supplied to the village, maintained by the Private Operator

vii. Responsible for payment to the Private Operator from money collected from consumers or from its own or GP's resources

viii. Make payments for power supply charges of the scheme

ix. Review the Maintenance Reports and inspect the Water Supply and Distribution Assets at least once in every three months

x. Prepare Inspection Report of all inspections undertaken

xi. Regularly inspect and thoroughly verify the scheme and all records, registers and water analysis reports

xii. Impose penalties for various types of lapses of the Private Operator

xiii. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

(contd..8)

xiv. Set "complaint redressal benchmarks" within the first 6 months of the commencement of Agreement (e.g. time taken to respond) and monitor the Private Operator's compliance with those standards

2. Roles and Responsibilities of DWSC

i. To provide all technical, social, financial, organizational and managerial support to successfully implement the Program

ii. Supervision and Monitoring of the Private Operator's work

iii. Make payments to Private Operator, in case of default by GPWSC

iv. Solve any dispute arising between the Private Operator and GPWSC under this Agreement

v. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

3. Roles and Responsibilities of Private Operator

i. To provide all routine maintenance, periodic maintenance, breakdown maintenance, preventive maintenance, staffing and providing labour for operating the water supply and distribution assets, investigation, engineering, procurement, delivery, installation and other activities incidental to the Operation and Maintenance of SVS. Detailed services to be performed by the Private operators are as given in ***Annexure A.***

ii. To maintain service levels as mentioned in the Agreement

iii. Rectification of all consumer grievances and complaints

iv. Maintain village-wise log abstract of water supplied to the village

v. Maintain records and accounts provide reports and other information required from time to time

vi. Undertake all such activities that will enable him to successfully discharge his function under the agreement

vii. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

Vikas Raj,
Secretary to Government.

Annexure IV – Joint Undertaking by GPs to participate in MVS

Agreement 2(b)

Joint Undertaking (JU)
For
Multi Village Scheme
Between
Gram Panchayats (GPs)
and
Multi Village Water Supply & Sanitation Committee (MVS-WSC)

This Joint Undertaking (JU) is entered on ---------- day of --------- 20XX between:

(i) The _____ Gram Panchayat (GP) (hereinafter called the **first** party) and

(ii) The _____ Multi Village Water Supply Committee (MVS-WSC) (hereinafter called the **second** party)

1. Preamble

The Department of Rural Water Supply and Sanitation, Government of Andhra Pradesh is implementing a Medium Term Rural Water Supply and Sanitation Program (hereinafter called the Program) with the objective of providing to the rural communities increased access to improved, potable and sustainable drinking water and also to strengthen the decentralization of water supply and sanitation service delivery.

i. The **first party**, in their Gram Sabha meeting has resolved to accept the key program principles and implement the Program for *multi village scheme* to be carried out in accordance with the program guidelines as approved by the State Water & Sanitation Mission (SWSM) and also as per the Operational Guidelines developed and communicated to both the parties from time to time by the GoAP

ii. The **second party** has been established as a sub-committee of the……. Mandal Parishad/ Zilla Parishad in their ……. meeting and has resolved to accept the key Program principles and implement the Program for ……..Multi Village scheme and is entrusted with the responsibility of implementing the Scheme in accordance with the guidelines and rules framed for the Program.

Now therefore, this JU is entered into amongst the authorized representatives of the two parties.

2. Objective

This JU defines the roles and responsibilities of the two parties, so as to enable them to work together as partners.

3. Scope of the JU

i. The two parties undertake to co-ordinate, participate, support and manage the multi village scheme including operation and maintenance of the assets, existing or newly created, in accordance with this JU.
ii. The activities under this JU shall be carried out in accordance with the Program guidelines as approved by the Department of Rural Water Supply and Sanitation and also as per the Operational Guidelines developed and communicated to the first party from time to time by the second party.
iii. The activities and the work shall be carried out within the geographic boundaries of ---------- District/ Mandal/ Gram Panchayat.

(contd..2)

4. Duration of the JU and Date of Effectiveness

Duration of the JU shall be during the entire scheme cycle from the date of signing the JU. The activities related to the establishment of O & M shall commence from the date of commissioning of water supply scheme.

5. Roles and Responsibilities of the First Party (GP)

The first party agrees to undertake the following roles and responsibilities:

i. To form a GPWSC within the provisions of the Panchayat Act and ensure its functioning
ii. To manage Rural Water Supply and Sanitation activities internal to the village(s) under the MVS including sign-off at all stages of designing, implementing, and operating and maintaining all Water Supply and Sanitation facilities and services of intra-village facilities.
iii. To participate in planning, construction and operation and maintenance of amenities related to intra village facilities of MVS including OHSR.
iv. Agree to mobilize users' share of capital cost, wherever applicable, for setting-up water supply and sanitation facilities from among the village community.
v. To contribute capital cost of the project collected from the community.
vi. To collect water charges from the community as per Government Order (GO) issued by GoAP.
vii. To transfer ….% *(as agreed)* of the water charges collected from the community to MVSWSC towards bulk water charges (O&M of common facilities) and retain rest of the water charges for the O&M of intra-village facilities.
viii. To ensure equitable access/ supply to all households including the hamlets.
ix. To assist the GPWSC in preparing and implementing the village vision, strategy and action plan for developing the water supply and sanitation sector of the village.
x. To perform all activities in respect of providing water supply and sanitation facilities and services to the village community.
xi. To discuss the Community Action Plan prepared by community with the second party
xii. To disseminate information, create awareness and educate the village community on all aspects of water supply and sanitation including health and hygiene aspects and water resource management.
xiii. To carry out all activities under this JU utilizing participatory methodologies so as to ensure participation of women, youth, scheduled castes and poor in the village community.
xiv. To receive funds, if required, and utilise the same as per rules and the guidelines of the Program and in accordance with prudent financial management principles.
xv. To comply with the principles, rules and guidelines issued by the second party/ RWSS Department from time to time.
xvi. To open and operate bank accounts, for transacting all amounts received and expended for implementing the Program as well as operating and maintaining the schemes.
xvii. To maintain up to date and accurate books of accounts, as per approved Financial Management Manual and make available records for audit/ inspections. The first party shall rectify the anomalies or deficiencies pointed out by the auditing at the earliest.
xviii. To procure works, goods or services, if required, including storage and control, for carrying out various activities under this JU in accordance with the guidelines.
xix. To utilise and monitor the services of a Support Organisation for availing necessary assistance and community development services for implementation.
xx. To mobilize the villagers for community action to solve the water supply and sanitation related problems of the village.
xxi. To do all the activities under this JU in a transparent manner providing key information to all members in village community including setting up of display boards.
xxii. To report monthly progress of Program activities/ any other agency nominated on a regular basis.
xxiii. To supervise all works and other activities under this JU and to ensure conformity with quality and design parameters as per approved plans, estimates and other guidelines.
xxiv. To co-operate with the second party for inspection, verification, audit, evaluation and studies agencies authorized by the second party and implement corrective actions recommended.

(contd..3)

xxv. To carry out surveillance and monitoring of water quality and environmental sanitation.

xxvi. To prepare Implementation Completion Report in respect of all Community Action Plans and submit to the second party.

6. Roles and Responsibilities of the Second Party (MVS-WSC)

The second party agrees to undertake the following roles and responsibilities:

i. To work as an extended arm and Sub-Committee of the Zila Parishad (ZP) and be responsible for co-ordination between RWSS department and GPWSCs for O&M of common facilities of MVS and bulk water supply to the participating GPs/ Villages/ Habitations.

ii. For the above referred multi-village scheme, to provide support, as required in designing, implementing, undertaking procurement activities, fund management, operating and maintaining all Water Supply facilities and services.

iii. To participate in RWSSD's planning, construction and operation and maintenance of amenities related to common facilities of MVS.

iv. To coordinate with Chairpersons of GPs and GPWSCs during implementation & post implementation of MVS.

v. To co-ordinate with RWSS department for selection of agencies for planning & implementation phase

vi. To co-ordinate with RWSS department and GPWSC in identification of land and other activities for construction of MVS on mutual consensus basis.

vii. To put forth the requirement of community in terms of technology preferences, site locations and household connection etc. to the RWSS department.

viii. To collect initial contribution from the GPWSCs towards project capital cost as per GO issued by GoAP.

ix. To resolve all disputes arising between GPs covered under the scheme.

x. To organize regular meetings of MVSWSC and to inform all concerned members prior to any meeting.

xi. To document all decisions taken during the meetings and inform members and the ZP about these decisions.

xii. To collect charges towards bulk water supply from GPWSC.

xiii. To transfer …. % *(as agreed)* of the tariff collection from GPWSCs to the RWSS department towards bulk water supply.

7. Disputes

Any disputes between the parties arising out of this JU shall be settled, in the first instance, through mutual and amicable consultation. If the dispute is not settled through such consultation, the matter shall be referred for arbitration to the SWSM and its decision shall be final and abiding for both parties.

8. Appendices

The following documents given in appendices to this JU shall be deemed as part of this JU:

i. Gram Panchayat Resolution by the first party dated ……..

We the undersigned on behalf of the respective institutions shall maintain the integrity in functions and abide by the contents of this JU for effective implementation and achievement of the objectives of the Program.

For and on behalf of Chairman, GP	**For and on behalf of Chairman, MVS-WSC**
Witnesses[2]	**Witnesses**
Name and Address	Name and Address
Signature……..	Signature……..
Name and Address	Name and Address
Signature……..	Signature……..

Vikas Raj,
Secretary to Government.

[2] At least one of the witnesses shall be a woman

Annexure V - Service Agreement for O & M of Multi Village Water Supply Scheme (Common Facilities)

Agreement 2(c)(i)

Agreement (Agreement No……)

THIS AGREEMENT (hereinafter called "the Agreement") is made this …….[*insert date*] (the "Commencement Date")

BETWEEN

The MVS-WSC of …….. [*Insert address*] (herein after called the **"MVS-WSC"**), which expression shall where the context so admits include his succession in office

AND

The District Water and Sanitation Committee of ……[*Insert name of District*] (hereinafter called the **"DWSC"**), which expression shall where the context so admits include his succession in office

AND

The [*name and address of the Private Operator*] herein after called **"Private Operator"** which expression shall where the context so admits included his successors, administrators, heirs, assigns and nominees

herein executes administrative and legal representations of the work **"……. [*name of scheme*]** for the year 200_ - 200_, estimated cost of **Rs._(Rupees ….)".**

WHEREAS the MVS-WSC wishes to delegate responsibility for Operation & Maintenance (the "O&M") of the **……. [*name of scheme*]** Multi Village Water Supply Scheme (Common Facilities) (the "MVS") within the geographical area of its operations to a Private Operator, and for the Private Operator to perform the service required for the O&M of the MVS.

WHEREAS the DWSC has been established by Government and entrusted with it the responsibility to spearhead the implementation of the Program throughout the District, including provision of technical, social, financial, organizational and managerial support to successfully implement the Program.

WHEREAS the …… [insert name of private operator] (Private Operator) has been established under the laws of India and is keen to provide O & M services to the MVS.

AND WHEREAS all the three parties agree and acknowledge that the services under this Agreement may be extended from time to time and as may be required to meet the needs of the geographical area. Any such variations or additions will be the subject of an extension to this Agreement and will be as per the rules under the Agreement terms and conditions.

1. Representation and Warranties:

AND WHEREAS the MVS-WSC represents and warrants that:

(a) MVS-WSC has full power and authority to execute, deliver and perform its obligations under this agreement and to carry out the transactions contemplated herein;

(b) This agreement constitute its legal, valid and binding obligation enforceable against it in accordance with the terms hereof;

(contd..2)

AND WHEREAS the Private Operator represents and warrants that:

(a) It has full power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein;

(b) There is no litigation to which the Private Operator is a party or of which the Private Operator is aware which would materially affect its ability to perform its obligations under this Agreement and the transactions contemplated herein.

NOW, THEREFORE, in consideration of the mutual promises and undertakings described herein, the Agreement stands as below.

2. **Services to be performed:** Services to be performed by the Private operators is given in ***Annexure A*.**

3. **Duration of the Agreement:** This Agreement shall remain in Force from ……. to …… unless terminated earlier in accordance with the provision of this Agreement or the period is extended through a mutually agreed amendment to the Agreement.

4. **Documents:**

   a. Definitions & Interpretation
   b. Terms & Conditions of the Agreement
   c. Scope of Work of Private Operator
   d. Roles & Responsibilities of the three parties

Signature	For and on behalf of Chairman, MVS-WSC	For and on behalf of District Collector,
DWSC Name of Private Operator	.....	…….. District
Address: …… …… ……..	Address:……. …… …….....	Address:……. ……. ……
Date:…… Place:……	Date:…… Place:……	Date:…….. Place:……..

Section I

Definition and Interpretations

In this agreement the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them.

1. **"Agreement"** means this Agreement signed for and on behalf of the MVS-WSC, DWSC and the Private Operator (each a "Party" and collectively "Parties") for Operation and Maintenance of rural water supply through Multi Village Scheme.

2. **"Commencement Date"** means date on which the agreement is signed.

3. **"Agreement Period"** means the period beginning from the Commencement Date and ending on the Terminate Date.

4. **"Force Majeure"** a Force Majeure events means any event or circumstance and or a combination of events and circumstances (a) which are beyond the reasonable control of the affected party (b) which such party could not have prevented or reasonably overcome with exercise of reasonable skill and care in relation to the implementation of the project (c) which do not result from the negligence of such party and or the failure of such party to perform its obligations hereunder.

(contd..3)

5. **"Operation and Maintenance"** or **"O&M"** include, unless the context otherwise requires, routine maintenance, periodic maintenance, breakdown maintenance, preventive maintenance, staffing and providing labour for operating the water supply and distribution assets, investigation, engineering, procurement, delivery, installation and other activities incidental to the Operation and Maintenance of MVS.
6. **"Dispute"** means, save where expressly stated to the contrary in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement and so notified in writing by either Party to the other Party;

Section II

Terms & Conditions

1. Services to be performed by Private Operator

The Private Operator shall be responsible for all activities required to be executed on a day-to-day basis for the successful Operation & Maintenance of the public water supply through MVS. For this purpose, any written order by the Chairman MVS-WSC would deem to be the legitimate directions required to be complied with. Some of the important activities required to be executed by the Private Operator are highlighted in ***Annexure A***.

2. Service Level

Quantity of Water: It is the responsibility of the Private Operator to ensure and maintain the distribution system such that the consumer can draw on an average at [*specify the LPCD requirement*] during supply hours. If there are public complaints, the MVS-WSC would measure the quantity of water supply at any of the connection locations as it deems appropriate. In such measuring, if it is found that some of the connections are getting less than the required quantity of water, during the supply hours, then it would be responsibility of the Private Operator to rectify the problem in such a fashion that consumer can get the required quantity of water. If the problem is not rectified within [*specify the number of days*] penalties would be imposed on the Private Operator (as per the Penalty clause).

All leakages of minor nature shall be attended to by the Private Operator within [*specify number of hours*] hours of noticing and major leakages within [*specify number of hours*] hours. The materials required will be arranged by the MVS-WSC.

Quality of Water: It is the prime duty of the Private Operator to maintain water quality. The Private Operator shall provide liquid chlorine/ bleaching powder at all head works and reservoirs and administer it to achieve 0.2 PPM residual chlorine at the farthest points in the distribution system.

The Private Operator shall ensure that residual chlorine at each tap point must be maintained between [*specify the PPM*]. The residual chlorine in water at habitation point shall be randomly verified by the Private Operator at the rate of [*specify number of samples*] per day in the project area and the results shall be reported to the Control Room [*name of the place where head works are located*].

3. Duration of Agreement

The Term of the Agreement would be for a period of [*specify period*]. The Agreement can be renewed if the MVS-WSC and DWSC, after supervision and monitoring, find that the Private Operator has satisfactorily performed the scope of work as described in ***Annexure A***. The MVS-WSC and DWSC may extend the Agreement for a period of [*specify period*].

(contd..4)

The duration of the Agreement can be extended under the following circumstances –

- Force Majeure events
- Political risk events (disruption of construction, strikes)
- Delays during construction or operation not attributable to the Private Operator
- Operating problems that are beyond the control of the Private Operator but not Force Majeure events (lack of appropriate materials and suppliers)

During supervision and monitoring by the MVS-WSC and/or DWSC, if it is found that the scope of work is not satisfactorily met by the Private Operator, then the Agreement can be terminated before the Term of the Agreement by giving [*specify the number of days*] days notice.

4. Payment to the Private Operator

The payment to the Private Operator shall be made as per the kilolitres of water supplied with the desired quality [*specify the quality norms*] during a particular month at agreed village points as per the daily records in the Village register and master register in the Control Room at [*name of the place where head works are located*].

- **Fixed Pay:** The Private Operator shall be paid @ [*specify Rs. per kilo litre*] for supply of [*specify in kilo litre*] of water per month of the following quality [*specify the quality norms*].
- **Variable Pay:** The Private Operator shall be paid @ [*specify higher Rs. per kilo litre*] – for supply of [*specify additional YYY kilo litre*] of water per month of the following quality [*specify the quality norms*]. [***The incentive can be quantitative or qualitative – depending on the ground conditions (adequacy of water at source and / or availability of good quality water)].***

5. Payment obligations by MVS-WSC and DWSC

The power supply charges shall be paid by the MVS-WSC.

Tariff for water supply shall be decided by the MVS-WSC. The MVS-WSC shall have the responsibility for collection, unless it is specifically delegated by the MVS-WSC to the Private Operator in the Scope of Work of the Private Operator.

MVS-WSC shall be responsible for payment to the Private Operator from money collected from consumers or from its own or GP resources.

The Private Operator shall submit monthly invoice based on agreed payment terms to the Chairman, MVS-WSC along with the following documents.

a) Village-wise log abstract of water supplied to the villages signed by Deputy Chairman, MVS-WSC – with water analysis reports.

b) Wages paid to the operating staff.

c) Inventory of materials / consumables purchased and utilized along with bill details.

The Private Operator shall be paid for the quantity of water supplied every month within 15 days of submission of monthly invoices.

In the event the MVS-WSC is unable to pay due to low collections and ZP's poor financial status, DWSC shall stand guarantee to make good the payment deficits to the Private Operator as per his invoices for the quantity of water supplied every month within 30 days of submission of monthly invoices.

(contd..5)

6. Supervision & Monitoring

Supervision and monitoring on a day to day basis or as appropriate shall be carried out by MVS-WSC. In addition, DWSC shall have the right but not the obligation to carry out additional random checks on all aspects of functioning of the Private Operator and his service delivery. The Private Operator has an obligation to maintain records and accounts provide reports and other information required from time to time. The MVS-WSC and DWSC will use this information for monitoring.

The MVS-WSC shall review the Maintenance Reports and inspect the Water Supply and Distribution Assets at least once in every three months during the Terms of Agreement and make out an Inspection Report of such inspection.

The MVS will be regularly inspected by the staff of the MVS-WSC as per instructions of the Chairman – the staff will thoroughly verify the scheme and all records, registers and water analysis reports. If the performance is found to be inadequate, the MVS-WSC can seek termination of the services of the Private Operator, after giving notice to the Private Operator and providing adequate opportunities for improvement.

7. Penalties

The Private Operator may be penalized for non-supply of water and deficiency in supply of water as recorded and verified in the water supply register. The penalties may be imposed by MVS-WSC for various types of lapses of the Private Operator – improper pumping, inadequate distribution and non- rectification or undue delays in rectification of leakages, and non-compliance with complaint redressal benchmarks. The quantum of penalties for different types of lapses and defaults shall be as indicated in the tender documents used for selection of Private Operator.

8. Dispute Settlement

Any dispute arising between the Private Operator and MVS-WSC under this Agreement which cannot be settled amicably between the two shall at first be discussed with DWSC for amicable settlement. If no settlement is reached at this stage within [*specify days*] days after these discussions, dispute may then be submitted by Private Operator or MVS-WSC or DWSC to arbitration in accordance with this provision.

i. An arbitrator shall be appointed by GoAP (Secretary to Govt. RWSS Department)

ii. Proceedings, shall unless otherwise agreed by the Parties, shall be in the District headquarters in the District in which the MVS-WSC is located and shall be in Telugu / English language

iii. The decision of the arbitrator shall final and binding on all Parties and the decision is enforceable in any court of jurisdiction

iv. During the settlement of disputes, all the Parties shall continue to perform their respective obligations under the Agreement

9. Complaints Redressal

All service related complaints by users of water services, MVS-WSC or DWSC shall be handled by the Private Operator. The MVS-WSC shall a set of “complaint redressal benchmarks” within the first 6 months of the commencement of Agreement (e.g. time taken to respond) and monitor the Private Operator’s compliance with those standards. MVS-WSC shall reserve the right to impose Penalty (see Penalty clause) on the Private Operator in case complaint redressal is not done as per the benchmarks.

10. Force Majeure

For the purpose of this Agreement, "Force Majeure" means an event which is beyond the reasonable control of any of the parties, and which makes a party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, Act of God, war, insurrection, riots, civil disorder, earthquake, fire, explosion, storm, flood, hurricane, or other adverse weather conditions, strikes, other political actions, confiscation or any other action by government agencies, market disruption or chemical contamination.

(contd..6)

11. Termination

If it is found that the scope of work is not satisfactorily met by the Private Operator, then the Agreement can be terminated before the Term of the Agreement by giving [*specify the number of days*] days notice.

Termination by MVS-WSC - The MVS-WSC may terminate the Agreement if any or all of the following occur:

i. The Private Operator fails to remedy an activity failure in the performance of its obligations within the rework period of [specify period] after being notified by the MVS-WSC.

ii. The Private Operator fails to comply with any final decision reached as a result of arbitration proceedings.

iii. The Private Operator becomes bankrupt as a result of overspending of funds

iv. As a result of Force Majeure, the Private Operator is unable to perform the services for a period of more than [*specify time period*].

v. The MVS-WSC in its sole discretion determines that the Private Operator at any time prior to or after the Commencement Date is engaged in corrupt practices or fraudulent practices or misuses their position in which they are placed then it may terminate the Agreement. Corrupt practices refer to misuse of funds and fraudulent practices refer to biased practices related to the project.

Termination by Private Operator - The Private Operator may terminate this Agreement if any or all of the following occur

i. If the MVS-WSC fails to pay any money due to the Private Operator pursuant to the Agreement within [specify days] and further DWSC fails to pay the same due to the Private Operator pursuant to the Agreement within [specify days].

ii. If the MVS-WSC has not met its obligations pursuant to this Agreement and has not remedied the Agreement [specify days] after receiving written notice form the Private Operator.

iii. As a result of Force Majeure, the Private Operator is unable to perform the services for a period more than [specify days].

iv. If the MVS-WSC fails to comply with a decision issued by the Arbitrator during the period until the matter is finally settled by arbitration; or

v. If the MVS-WSC fails to comply with any final decision reached as a result of arbitration.

Notice of Termination by the Private Operator - If the Private Operator wishes to terminate this Agreement, it shall deliver a written notice of termination giving a notice period [*specify period*] to the Chairman, MVS-WSC.

12. Agreement Term

The Private Operator shall hand over to the MVS-WSC all assets of MVS such as pump sets, pipe lines and buildings, electrical / mechanical installations etc., in sound and working condition on expiry of the Agreement Term.

Annexure A: Scope of Work

A. **Maintenance of head works:** All existing head works i.e. [*specify the name of head works*] including all treatment plants [*specify the name of treatment plant*] shall be maintained by the Private Operator.

B. **Maintenance of pipelines:** All pipelines from the head works to the water treatment plants i.e. [*specify the name of treatment plant*], pipe lines from these water treatment plants to the existing reservoirs and distribution network thereafter till the village point shall be maintained by the Private Operator.

(contd..7)

C. **Pumping of water:** Water from head works at [*name of the place*] to the Ground Level Balancing Reservoir & Ground Level Service Reservoir.

D. **Chlorination of water:** Chlorination at the GLBR, GLSR & other OHSRs located in the MVS as per [*specify the standard*] required and controlling distribution to the gravity mains from GLBR & GLSR by engaging sufficient staff. The necessary daily records have to be maintained by the Private Operator about the quantity of bleaching added etc. at such location.

E. **Cleaning of storage facilities (OHSRs/GLSRs/GLBRs/Sumps):** The Private Operator shall attend the cleaning of OHSRs/GLSRs/GLBRs at each habitation every fortnight and shall attend the cleaning of sumps and scraping of filters media as per the necessity.

F. **Repairs & renewals:** The Private Operator shall attend repairs in the pipelines i.e. replacing damaged pipelines with new materials and repairs to pump sets whenever the need arises. If any materials are required, the Private Operator shall procure the same class of the materials after due verification of the quality of such materials, labour charges etc. for the work attended for as per SSR or departmental approved rates (duly following departmental procedure).

G. **Maintenance of Register:** Private Operator shall maintain the following records –

   a. Water quality testing (chlorine dosage)
   b. Pump sets operating times at each pumping station
   c. Water distribution timing at each pumping station (bulk meter reading)
   d. Personnel on duty
   e. Water supply at head works & service reservoirs at each habitation
   f. Complaints
   g. Details of bills paid

H. **Billing & Collection:** Private Operator shall read the bulk flow meter and prepare the bill for the GP for the water consumed every month & provide the bills to MVS-WSC. The bill shall be in proportion to the water consumed.

I. **Deployment of staff:** The Private Operator shall engage personnel including technicians for carrying out all the above functions. The electrician, the pump operator and the watchman shall be engaged by the Private Operator for round the clock pumping and watch & ward. All incidental expenses required for running the scheme shall be borne by the Private Operator.

Annexure B: Roles and Responsibilities

1. Roles and Responsibilities of MVS-WSC

i. Issue written orders that would be the legitimate directions for undertaking O & M of the scheme

ii. Decide tariff for water supply

iii. In case of public complaints, measure the quantity of water supply at any of the connection locations as it deems appropriate

iv. Undertake collection of water charges, unless it is specifically delegated to the Private Operator

v. Supervision and Monitoring of the Private Operator's work

vi. Verify village-wise log abstract of water supplied to the village, maintained by the Private Operator

vii. Responsible for payment to the Private Operator from money collected from villages or from its own or ZP's resources

viii. Make payments for power supply charges of the scheme.

(contd..8)

ix. Review the Maintenance Reports and inspect the Water Supply and Distribution Assets at least once in every three months

x. Prepare Inspection Report of all inspections undertaken

xi. Regularly inspect and thoroughly verify the scheme and all records, registers and water analysis reports

xii. Impose penalties for various types of lapses of the Private Operator

xiii. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

xiv. Set "complaint redressal benchmarks" within the first 6 months of the commencement of Agreement (e.g. time taken to respond) and monitor the Private Operator's compliance with those standards

2. Roles and Responsibilities of DWSC

i. To provide all technical, social, financial, organizational and managerial support to successfully implement the Program

ii. Supervision and Monitoring of the Private Operator's work

iii. Make payments to Private Operator, in case of default by MVS-WSC

iv. Solve any dispute arising between the Private Operator and MVS-WSC under this Agreement

v. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

3. Roles and Responsibilities of Private Operator

i. To provide all routine maintenance, periodic maintenance, breakdown maintenance, preventive maintenance, staffing and providing labour for operating the water supply and distribution assets, investigation, engineering, procurement, delivery, installation and other activities incidental to the Operation and Maintenance of MVS. Detailed services to be performed by the Private operators are as given in ***Annexure A*.**

ii. To maintain service levels as mentioned in the Agreement

iii. Rectification of all consumer grievances and complaints

iv. Maintain village-wise log abstract of water supplied to the village

v. Maintain records and accounts provide reports and other information required from time to time

vi. Undertake all such activities that will enable him to successfully discharge his function under the agreement

vii. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

Vikas Raj,
Secretary to Government.

Annexure - VI - Service Agreement for O & M of Multi Village Water Supply Scheme (Intra Village Facilities)

Agreement 2(c)(ii)

Agreement (Agreement No……)

THIS AGREEMENT (hereinafter called "the Agreement") is made this …….[*insert date*] (the "Commencement Date")

BETWEEN

The Chairman, GPWSC of …….. [*Insert address*] GP (herein after called the **"GPWSC"**), which expression shall where the context so admits include his succession in office

AND

The District Water and Sanitation Committee of ……[*Insert name of District*] (hereinafter called the **"DWSC"**), which expression shall where the context so admits include his succession in office

AND

The [*name and address of the Private Operator*] herein after called **"Private Operator"** which expression shall where the context so admits included his successors, administrators, heirs, assigns and nominees

herein executes administrative and legal representations of the work **"……. [*name of scheme*]** for the year 200_ - 200_, estimated cost of **Rs._(Rupees ….)".**

WHEREAS the Chairman, GPWSC wishes to delegate responsibility for Operation & Maintenance (the "O&M") of the **……. [*name of scheme*]** Multi Village Water Supply Scheme (Intra Village Facility) (the "MVS") within the geographical area of its operations to a Private Operator, and for the Private Operator to perform the service required for the O&M of the MVS.

WHEREAS the DWSC has been established by Government and entrusted with it the responsibility to spearhead the implementation of the Program throughout the District, including provision of technical, social, financial, organizational and managerial support to successfully implement the Program.

WHEREAS the …… [insert name of private operator] (Private Operator) has been established under the laws of India and is keen to provide O & M services to the MVS.

AND WHEREAS all the three parties agree and acknowledge that the services under this Agreement may be extended from time to time and as may be required to meet the needs of the geographical area. Any such variations or additions will be the subject of an extension to this Agreement and will be as per the rules under the Agreement terms and conditions.

1. Representation and Warranties:

AND WHEREAS the GPWSC represents and warrants that:

(a) GPWSC has full power and authority to execute, deliver and perform its obligations under this agreement and to carry out the transactions contemplated herein;

(b) This agreement constitute its legal, valid and binding obligation enforceable against it in accordance with the terms hereof;

(contd..2)

AND WHEREAS the Private Operator represents and warrants that:

(a) It has full power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein;

(b) There is no litigation to which the Private Operator is a party or of which the Private Operator is aware which would materially affect its ability to perform its obligations under this Agreement and the transactions contemplated herein.

NOW, THEREFORE, in consideration of the mutual promises and undertakings described herein, the Agreement stands as below.

2. **Services to be performed:** Services to be performed by the Private operators is given in ***Annexure A.***

3. **Duration of the Agreement:** This Agreement shall remain in Force from ……. to …… unless terminated earlier in accordance with the provision of this Agreement or the period is extended through a mutually agreed amendment to the Agreement.

4. **Documents:**

   a. Definitions & Interpretation
   b. Terms & Conditions of the Agreement
   c. Scope of Work of Private Operator
   d. Roles & Responsibilities of the three parties

Signature	For and on behalf of Chairman, GPWSC	For and on behalf of District Collector, DWSC
Name of Private Operator	..... GP	…….. District
Address: ……	Address:…….	Address:…….
……	……	…….
……..	…….....	……
Date:……	Date:……	Date:……..
Place:……	Place:……	Place:……..

Section I

Definition and Interpretations

In this agreement the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them.

1. **"Agreement"** means this Agreement signed for and on behalf of the Chairman, GPWSC, District Collector, DWSC and the Private Operator (each a "Party" and collectively "Parties") for Operation and Maintenance of rural water supply through Multi Village Scheme (Intra Village Facility).

2. **"Chairman, GPWSC"** means such person or persons as may be authorized in writing by GPWSC to act on its behalf under this Agreement and shall include any person or persons having authority to exercise any rights or perform and fulfill any obligations of GPWSC under this agreement.

3. **"Commencement Date"** means date on which the agreement is signed.

4. **"Agreement Period"** means the period beginning from the Commencement Date and ending on the Terminate Date.

5. **"Force Majeure"** a Force Majeure events means any event or circumstance and or a combination of events and circumstances (a) which are beyond the reasonable control of the affected party (b) which such party could not have prevented or reasonably overcome with exercise of reasonable skill and care in relation to the implementation of the project (c) which do not result from the negligence of such party and or the failure of such party to perform its obligations hereunder.

(contd..3)

6. **"Operation and Maintenance"** or **"O&M"** include, unless the context otherwise requires, routine maintenance, periodic maintenance, breakdown maintenance, preventive maintenance, staffing and providing labour for operating the water supply and distribution assets, investigation, engineering, procurement, delivery, installation and other activities incidental to the Operation and Maintenance of MVS.
7. **"Dispute"** means, save where expressly stated to the contrary in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement and so notified in writing by either Party to the other Party;

Section II

Terms & Conditions

1. Services to be performed by Private Operator

The Private Operator shall be responsible for all activities required to be executed on a day-to-day basis for the successful Operation & Maintenance of the public water supply through MVS. For this purpose, any written order by the Chairman GPWSC would deem to be the legitimate directions required to be complied with. Some of the important activities required to be executed by the Private Operator are highlighted in ***Annexure A***.

2. Service Level

Quantity of Water: It is the responsibility of the Private Operator to ensure and maintain the distribution system such that the consumer can draw on an average at [*specify the LPCD requirement*] during supply hours. If there are public complaints, the GPWSC would measure the quantity of water supply at any remote connection. In such measuring, if it is found that some of the connections are getting less than the required quantity of water, during the supply hours then it would be responsibility of the Private Operator to rectify the problem in such a fashion that consumer can get the required quantity of water. If the problem is not rectified within [*specify the number of days*] penalties would be imposed on the Private Operator (as per the Penalty clause).

Quality of Water: It is the prime duty of the Private Operator to maintain water quality. The Private Operator should ensure that residual chlorine at each tap point must be maintained between [*specify the PPM*]. The residual chlorine in water at habitation point should be randomly verified by the Private Operator at the rate of [*specify number of samples*] per day in the project area and the results should be reported to the Control Room [*name of the place where head works are located*].

3. Duration of Agreement

The Term of the Agreement would be for a period of [*specify period*]. The Agreement can be renewed if the GPWSC and DWSC, after supervision and monitoring, find that the Private Operator has satisfactorily performed the scope of work as described in ***Annexure A***. The GPWSC and DWSC may extend the Agreement for a period of [*specify period*].

The duration of the Agreement can be extended under the following circumstances –

- Force Majeure events
- Political risk events (disruption of construction, strikes)
- Delays during construction or operation not attributable to the Private Operator
- Operating problems that are beyond the control of the Private Operator but not Force Majeure events (lack of appropriate materials and suppliers)

During supervision and monitoring by the GPWSC and/or DWSC, if it is found that the scope of work is not satisfactorily met by the Private Operator, then the Agreement can be terminated before the Term of the Agreement by giving [*specify the number of days*] days notice.

(contd..4)

4. Payment to the Private Operator

The payment to the Private Operator shall be made as per the kilolitres of water supplied with the desired quality [*specify the quality norms*] during a particular month at agreed village points as per the daily records in the Village register and master register in the Control Room at [*name of the place where head works are located*]. Necessary provision shall be made in DPR for fixing of bulk water meter at each village entrance for measuring the quantity of water being supplied.

- **Fixed Pay:** The Private Operator shall be paid @ [*specify Rs. per kilo litre*] for supply of [*specify in kilo litre*] of water per month of the following quality [*specify the quality norms*].
- **Variable Pay:** The Private Operator shall be paid @ [*specify higher Rs. per kilo litre*] – for supply of [*specify additional YYY kilo litre*] of water per month of the following quality [*specify the quality norms*]. [***The incentive can be quantitative or qualitative – depending on the ground conditions (adequacy of water at source and / or availability of good quality water)].***

5. Payment obligations by GPWSC and DWSC

The power supply charges shall be paid by the GPWSC.

Tariff for water supply shall be decided by the GPWSC. The GPWSC shall have the responsibility for collection, unless it is specifically delegated by the GPWSC to the Private Operator in the Scope of Work of the Private Operator.

GPWSC shall be responsible for payment to the Private Operator from money collected from consumers or from its own or GP resources.

The Private Operator shall submit monthly invoice based on agreed payment terms to the Chairman, GPWSC along with the following documents.

a) Village-wise log abstract of water supplied to the villages signed by Deputy Chairman, GPWSC – with water analysis reports.

b) Wages paid to the operating staff.

c) Inventory of materials / consumables purchased and utilized along with bill details.

The Private Operator shall be paid for the quantity of water supplied every month within 15 days of submission of monthly invoices.

In the event the GPWSC is unable to pay due to low collections and GPs poor financial status, DWSC shall stand guarantee to make good the payment deficits to the Private Operator as per his invoices for the quantity of water supplied every month within 30 days of submission of monthly invoices.

6. Supervision & Monitoring

Supervision and monitoring on a day to day basis or as appropriate shall be carried out by GPWSC. In addition, DWSC shall have the right but not the obligation to carry out additional random checks on all aspects of functioning of the Private Operator and his service delivery. The Private Operator has an obligation to maintain records and accounts provide reports and other information required from time to time. The GPWSC and DWSC will use this information for monitoring.

The GPWSC shall review the Maintenance Reports and inspect the Water Supply and Distribution Assets at least once in every three months during the Terms of Agreement and make out an Inspection Report of such inspection.

The MVS will be regularly inspected by the staff of the GPWSC as per instructions of the Chairman – the staff will thoroughly verify the scheme and all records, registers and water analysis reports. If the performance is found to be inadequate, the GPWSC can seek termination of the services of the Private Operator, after giving notice to the Private Operator and providing adequate opportunities for improvement.

(contd..5)

7. Penalties

The Private Operator may be penalized for non-supply of water and deficiency in supply of water as recorded and verified in the water supply register. The penalties may be imposed by GPWSC for various types of lapses of the Private Operator – improper pumping, inadequate distribution and non- rectification or undue delays in rectification of leakages, and non-compliance with complaint redressal benchmarks. The quantum of penalties for different types of lapses and defaults shall be as indicated in the tender documents used for selection of Private Operator.

8. Dispute Settlement

Any dispute arising between the Private Operator and GPWSC under this Agreement which cannot be settled amicably between the two shall at first be discussed with DWSC for amicable settlement. If no settlement is reached at this stage within [*specify days*] days after these discussions, dispute may then be submitted by Private Operator or GPWSC or DWSC to arbitration in accordance with this provision.

i. An arbitrator shall be appointed by GoAP (Secretary to Govt. RWSS Department)

ii. Proceedings, shall unless otherwise agreed by the Parties, shall be in the District headquarters in the District in which the GPWSC is located and shall be in Telugu / English language

iii. The decision of the arbitrator shall final and binding on all Parties and the decision is enforceable in any court of jurisdiction

iv. During the settlement of disputes, all the Parties shall continue to perform their respective obligations under the Agreement

9. Complaints Redressal

All service related complaints by users of water services, GPWSC or DWSC shall be handled by the Private Operator. The GPWSC shall a set of "complaint redressal benchmarks" within the first 6 months of the commencement of Agreement (e.g. time taken to respond) and monitor the Private Operator's compliance with those standards. GPWSC shall reserve the right to impose Penalty (see Penalty clause) on the Private Operator in case complaint redressal is not done as per the benchmarks.

10.Force Majeure

For the purpose of this Agreement, "Force Majeure" means an event which is beyond the reasonable control of any of the parties, and which makes a party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, Act of God, war, insurrection, riots, civil disorder, earthquake, fire, explosion, storm, flood, hurricane, or other adverse weather conditions, strikes, other political actions, confiscation or any other action by government agencies, market disruption or chemical contamination.

11.Termination

If it is found that the scope of work is not satisfactorily met by the Private Operator, then the Agreement can be terminated before the Term of the Agreement by giving [*specify the number of days*] days notice.

Termination by GPWSC - The Department may terminate the Agreement if any or all of the following occur:

i. The Private Operator fails to remedy an activity failure in the performance of its obligations within the rework period of [specify period] after being notified by the GPWSC.

ii. The Private Operator fails to comply with any final decision reached as a result of arbitration proceedings.

iii. The Private Operator becomes bankrupt as a result of overspending of funds.

(contd..6)

iv. As a result of Force Majeure, the Private Operator is unable to perform the services for a period of more than [*specify time period*].

v. The GPWSC in its sole discretion determines that the Private Operator at any time prior to or after the Commencement Date is engaged in corrupt practices or fraudulent practices or misuses their position in which they are placed then it may terminate the Agreement. Corrupt practices refer to misuse of funds and fraudulent practices refer to biased practices related to the project.

Termination by Private Operator - The Private Operator may terminate this Agreement if any or all of the following occur

i. If the GPWSC fails to pay any money due to the Private Operator pursuant to the Agreement within [specify days] and further DWSC fails to pay the same due to the Private Operator pursuant to the Agreement within [specify days].

ii. If the GPWSC has not met its obligations pursuant to this Agreement and has not remedied the Agreement [specify days] after receiving written notice form the Private Operator.

iii. As a result of Force Majeure, the Private Operator is unable to perform the services for a period more than [specify days].

iv. If the GPWSC fails to comply with a decision issued by the Arbitrator during the period until the matter is finally settled by arbitration; or

v. If the GPWSC fails to comply with any final decision reached as a result of arbitration.

Notice of Termination by the Private Operator - If the Private Operator wishes to terminate this Agreement, it shall deliver a written notice of termination giving a notice period [*specify period*] to the Chairman, GPWSC.

12.Agreement Term

The Private Operator shall hand over to the GPWSC all assets of MVS such as pump sets, pipe lines and buildings, electrical / mechanical installations etc., in sound and working condition on expiry of the Agreement Term.

Annexure A: Scope of Work

A. **Maintenance of pipelines:** All pipelines in the distribution network (from the point of start of village) thereafter shall be maintained by the Private Operator.

B. **Chlorination of water:** Chlorination at the GLBR, GLSR & other OHSRs located in the village as per [*specify the standard*], if required, and controlling distribution to the gravity mains from GLBR & GLSR by engaging sufficient staff. The necessary daily records have to be maintained by the Private Operator about the quantity of bleaching added etc. at such location.

C. **Cleaning of storage facilities (OHSRs/GLSRs/GLBRs/Sumps):** The Private Operator should attend the cleaning of OHSRs/GLSRs/GLBRs at the village every fortnight and should attend the cleaning of sumps and scraping of filters media as per the necessity.

D. **Repairs & renewals:** The Private Operator should attend repairs in the pipelines i.e. replacing damaged pipelines with new materials and repairs to pump sets whenever the need arises. If any materials are required, the Private Operator should procure the same class of the materials after due verification of the quality of such materials, labour charges etc. for the work attended for as per SSR or departmental approved rates (duly following departmental procedure).

(contd..7)

E. **Maintenance of Register:** Private Operator shall maintain the following records –

a. Water quality testing (chlorine dosage)

b. Water distribution timing at each pumping station (bulk meter reading)

c. Personnel on duty

d. Water supply at service reservoirs at each habitation

e. Complaints

f. Details of bills paid

F. **Billing & Collection:** Private Operator shall read the bulk flow meter and prepare the bill for the GP for the water consumed every month & provide the bills to GPWSC. The bill shall be in proportion to the water consumed.

G. **Deployment of staff:** The Private Operator has to engage personnel including valve operator for carrying out all the above functions. The valve operator and the watchman have to be engaged by the Private Operator for round the clock watch & ward. All incidental expenses required for running the scheme shall be borne by the Private Operator.

Annexure B: Roles and Responsibilities

1. Roles and Responsibilities of GPWSC

i. Issue written orders that would be the legitimate directions for undertaking O & M of the scheme

ii. Decide tariff for water supply

iii. In case of public complaints, measure the quantity of water supply at any of the connection locations as it deems appropriate

iv. Undertake collection of water charges, unless it is specifically delegated to the Private Operator

v. Supervision and Monitoring of the Private Operator's work

vi. Verify village-wise log abstract of water supplied to the village, maintained by the Private Operator

vii. Responsible for payment to the Private Operator from money collected from consumers or from its own or GP's resources

viii. Make payments to MVS-WSC for bulk water charges

ix. Review the Maintenance Reports and inspect the Water Supply and Distribution Assets at least once in every three months

x. Prepare Inspection Report of all inspections undertaken

xi. Regularly inspect and thoroughly verify the scheme and all records, registers and water analysis reports

xii. Impose penalties for various types of lapses of the Private Operator

xiii. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

xiv. Set "complaint redressal benchmarks" within the first 6 months of the commencement of Agreement (e.g. time taken to respond) and monitor the Private Operator's compliance with those standards.

(contd..8)

2. Roles and Responsibilities of DWSC

i. To provide all technical, social, financial, organizational and managerial support to successfully implement the Program

ii. Supervision and Monitoring of the Private Operator's work

iii. Make payments to Private Operator, in case of default by GPWSC

iv. Solve any dispute arising between the Private Operator and GPWSC under this Agreement

v. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

3. Roles and Responsibilities of Private Operator

i. To provide all routine maintenance, periodic maintenance, breakdown maintenance, preventive maintenance, staffing and providing labour for operating the water supply and distribution assets, investigation, engineering, procurement, delivery, installation and other activities incidental to the Operation and Maintenance of MVS. Detailed services to be performed by the Private operators are as given in ***Annexure A*.**

ii. To maintain service levels as mentioned in the Agreement

iii. Rectification of all consumer grievances and complaints

iv. Maintain village-wise log abstract of water supplied to the village

v. Maintain records and accounts provide reports and other information required from time to time

vi. Undertake all such activities that will enable him to successfully discharge his function under the agreement

vii. Settle disputes that may be submitted by any of the parties through arbitration and in accordance with this Agreement

Vikas Raj,
Secretary to Government.

Annexure - VII – Guidelines for Estimation of tariff for MVS

Estimation of tariff for MVS

O&M cost of common facilities: ***Let us assume that***, the per capita O&M cost of common facilities has been estimated for MVS to be around Rs.50 per annum (this includes electricity charges, disinfection cost, system & staff cost, & repairs & renewal cost).

O&M cost of intra-village facilities: The O&M activities and hence the cost of intra-village facilities is similar to SVS (excepting that cost of power is much less or not there at all since there may not be any pumping within the village; and there are no disinfection costs as disinfection is done at the source outside the village). The net O&M cost of intra-village facilities for MVS is estimated to be Rs.15 per capita per annum.

Proposed tariff to recover O&M cost of common & intra-village facilities: An appropriate tariff to run the MVS recovering O & M costs should be proposed. While designing the tariff, the main principles of equity, affordability and willingness to pay have been taken into consideration.

Tariff rate is estimated on actual cost basis. The per capita O&M costs of MVS and SVS have been estimated above. It is to be noted that escalation of 5% per annum in both cost as well as tariff can be provisioned for. Monthly tariff per household is suggested as below.

Exhibit 1: Proposed tariff for MVS

Type of facilities	Common facilities	Intra village facilities	Total
Per capita O&M cost per annum (Rs.)	50	15	65
People per household (Numbers)	5		
O&M cost per household per annum (Rs.)	*250*	*75*	*325*
O&M cost per household per month (Rs.)	***20.83***	***6.25***	***27.08***
Proposed tariff per household per month for MVS (Rs.)$	***30****		

$ Assuming 100% of household connection

To validate the assumptions, actual O&M cost of each component such as power cost, disinfection cost, staffing cost etc. should be estimated.

(contd..2)

-: 2 :-

***Estimation of Bulk Water Tariff**

To validate the proposed bulk water tariff per KL and per household per month actual component-wise O&M cost has been estimated.

Power Cost:

Parameters	HP
Pump set – 1	7.5
Pump set – 2	5
Pump set – 3	7.5
1. Total HP	**20**
2. Number of running hours/day	16
3. Conversion factor (HP - KwH)	0.746
4. Electricity charges Rs. per KwH	3.7
5. Total electricity consumption (KwH) – 1*2*3*366	87372
Annual power charges (Rs. lakh) – 4*5	**3.23**

Disinfection cost:

Parameters	
Chlorination required Kg/MLD	4.4
Water supply (MLD)	1.08
Cost of chlorination Rs.per kg	25
Cost Rs. per MLD	110
Total disinfection cost (Rs.lakh)	**0.43**

Repairs & renewal cost:

Parameters	
% of project costs (Norms)	0.50%
Total estimated project cost (Rs.lakh)	447
Increase per annum from commissioning year (Norms)	6%
Total repairs & renewal	**2.24**

System & staff cost:

Location/Type of staff	Watchman	Electrician	Pump operators	Fitters
Intake well	1	0	0	0
Head-works	1	1	1	0
OHBR	0		1	0
Distribution network	0	0	0	3 (1 fitter per 8 km of distribution network – 23 km of distribution network)
Total	**2**	1	2	3
Annual salary cost (Rs.)	157380 (Rs. 215 per watchman per day)	113460 (Rs. 310 per electrician per day)	208620 (Rs. 285 per electrician per day)	312930 (Rs. 285 per fitter per day)

* The requirement of system staff is as per CPHEEO manual.

Total O & M cost/Water Production Cost:

O&M cost	Rs. Lakh
Annual power charges (Rs. lakh)	3.23
Total disinfection cost (Rs. lakh)	0.43
Total repairs & renewal	2.24
Total salary cost (Rs. lakh per annum)	7.92
Total O&M cost (Rs.lakh)	**13.82**
Total annual water consumption (KL)	222975
Water Production Cost (Rs./KL)/Bulk Water Charges	**6.20**
Rs. per household per month (assuming 100% household connection)	37.20

Source: Detailed Project Report – Malleswaram MVS

The above example is for illustrative purpose and the MVS-WSC and GP-WSC will have to work out actuals every year and fix tariffs accordingly. Based on the O&M estimate prepared every year by the GPWSC / MVSWSC with the support, if needed, of RWS&s engineers, the actual tariff can be fixed by the GPWSC for SVS and intra village facilities of MVS and bulk water charges by MVSWSC from the constituting GPs.

The concerned GPWSCs under the MVS are responsible for collecting the water tariff as per GoAP bulk water policy from the community of GPs concerned covered under MVS and GPWSC concerned will transfer--------% (as agreed) of the water charges to MVSWSC towards bulk water charges i.e. O&M of common facilities and retain rest of the water charges for the O&M of intra-village facilities. The maintenance of common facilities of MVS is the responsibility of MVSWSC. In case of high cost schemes, where the O&M cost of the common facilities exceeds the community contributions (amount due from community and not amount actually collected) from various GPs, this shall be subsidised by the GP for SVS and ZP for MVS. The Government may provide scheme based direct/indirect subsidy when large repairs or replacements are required.

Vikas Raj,
Secretary to Government.

Copy of:

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Constitution 73rd Amendment Act-Devolution of powers and functions to Panchayat Raj Institutions in respect of subject relating to Rural Water Supply Department **-** Orders - **Issued**.

PANCHAYAT RAJ AND RURAL DEVELOPMENT (RWS.I) DEPARTMENT

G.O. Ms. No. 569 **Dated: 22-12-2007**

O R D E R:-

Constitution *73rd* Amendment provides for strengthening and revitalizing the Panchayat Raj Institutions so that they can sub-serve the needs of the teeming millions that live in the rural areas. To achieve these objectives 73rd Amendments Act has provided for the devolution of powers and responsibilities to Panchayat Raj Institutions to enable them to function as Institutions of Self-Government with respect to:

a) the preparation of plans for economic development and social justice.
b) The implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

2. Towards this end, the Government of Andhra Pradesh has enacted Andhra Pradesh Panchayat Raj Act, 1994 (Act 13 of 1994) reflecting the spirit of the Constitutional mandate. The Ministry of Panchayat Raj, Government of India held Seven Round Table conferences to arrive at a blue print for effective devolution of powers to Panchayat Raj Institutions. To start with, the Government of Andhra Pradesh have identified 10 core subjects to be devolved to the Panchayat Raj Institutions by demarcating operational responsibility basing on the subsidiarity principle.

3. The Government have constituted a Task force Committee headed by the Special Chief Secretary to Government to review the functioning of existing systems of the line departments and prepare proposals with regard to the powers' and function to b© devolved to the Panchayat Raj I**nstitutions based on activity** mapping. The Government considered the recommendations of Task Force Committee.

Functions to be devolved

4. The Government after careful considerat**ion of recommendations of the** Task Force hereby devolves the following functions to Panchayat Raj Institutions in respect of Rural Water Supply Department:

- Maintenance of Rural Water Supply Schemes with assistance of Rural Water Supply Engineering Department.
- Participation in planning for new drinking water schemes
- Promotion of Household connections.
- Creating awareness through Training Programmes, Seminars and, IEC activities on Health Hygiene and Safe Drinking Water /
- Review the water testing reports and Monitor the Quality of Drinking Water.
- Planning, Implementation and monitoring of Total Sanitation Programme.

Contd...

5. The Panchayat Raj Institutions prepare and approve the annual action plan for all plan *schemes of* the *above activities devolved* to the Panchayat *Raj* institutions. The demarcation of-activities among Panchayat Raj Institutions is mentioned in the Annexure to this order. Funds to the tune of *Rs.310* crores on annual basis is being devolved to Panchayat Raj Institutions for Operation and Maintenance of water supply schemes and sanitation activities. However, annual allocation may vary depending on the priorities.

Release of Funds:

6. Budget Release Orders will be issued from Finance Department in the name of concerned Head of Department. The funds for activities devolved to Panchayat Raj Institutions, shall be adjusted to the *P.D,* Accounts of concerned Panchayat Raj Institutions i.e., *Zilla Parishad* / Mandal *Parishad* / Grama Panchayat. The funds meant for Operation and Maintenance of Rural Water Supply Schemes shall be released after countersignature of the concerned Assistant Engineer / Assistant Executive Engineer.

Accounting and Auditing:

7. The Panchayat Raj Institutions shall be responsible for proper utilization, *accountability, auditing and reconciliation* of *the funds transferred* to them. Panchayat Raj Institutions shall issue utilisation certificate to this Department, For this purpose, Government accounting system as detailed in Q.O, Ms.-. No.172, P.R *&* R.D (Accts-I) Department, dated:16.5.2005 will be followed by the Panchayat Raj Institutions in respect of funds released for the devolved activities.

8. Andhra Pradesh Academy of Rural Development will undertake capacity building for Panchayat Raj Institutions for accounting, auditing, reconciliation and other related aspects.

9. Head of the Department concerned shall prepare the relevant training materials regarding the schemes .under implementation regarding the devolved functions and will undertake Capacity building for PANCHAYAT Raj Institutions In these; areas in coordination with Andhra Pradesh Academy of, Rural Development.

10. Functionaries concerned shall report to the respective Panchayat Raj Institutions in respect of the above devolved functions.

General Instructions:

11. The Panchayat Raj institutions are empowered to review, inspect and monitor the institutions and activities of the Social. Welfare department. Whenever they inspect an institution and suggest improvements, the authorities of the department concerned in that institution shall be responsible to send ah Action Taken Report to those Panchayat Raj Institutions.

12. The Panchayat Raj Institutions shall strive for system improvements and foster better relations, between the stakeholders and service departments and take steps to achieve convergence of schemes/activities for filling the gaps in delivery of services efficiently.

13. All existing instructions / rules / orders of the department shall be translated into Telugu and circulate to all elected representatives.

14. Head of the Departments are requested to take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY MISRA,
SECRETARY TO GOVERNMENT.

To
The Commissioner of Panchayat Raj, Hyderabad
The Engineer-in-Chief (RWS), Hyderabad
AN the District Collectors in the State
Ail the Chief Executive Officers of Panchayat Raj in the State
AH the Superintending Engineers (RWS) in the State
The Accountant General, A.P., Hyderabad.
The Commissioner of Printing. Stationery and
Stores Purchase, Hyderabad.
(with a request to publish the same in the A.P. Gazette, and send 200 copies to this Department)
Copy to:
The Finance (Expr. PR &RD) Department The P.R. & R.D. (Mandal-I) Department The Principal Secretary to Chief Minister The P.S. to Minister for Rural Water Supply The Spl. Chief Secretary to Government,
P.R. Sc R.D. Department.
The P.S. to Secretary to Government, (RWS)
P.R. & R.D. Department.
The P.A. to Add!. Secretary to Government,
P.R. & R.D. Department.
Sf/scs.

//FORWARDED BY ORDER//

Sd/-x x x x x x
SECTION OFFICER

A M N E X U R E

(Annexure to G.O. Ms. No. 569, P.R. & R.D. (RWS-I) Department Dated: 22-12-2007)

ACTIVITY	DISTRIBUTION OF FUNCTIONS AND FUNDS		
	Zilla Parisbad	Mandal Parishad	Gram Panchayat
Development of Water supply system : **(Annual allocation Rs.132 crores)**	1. Participation in planning of CPWS scheme. 2. Maintenance of CPWS Sachemes / Multi Village Schemes (MVS). **(Annual allocation Rs.SS Crores)** 3. Review the water testing reports and Monitor the Quality of Drinking Water. 4 Arrange Training Programmes, Seminars and I EC activities on Health, Hygiene arid Safe Drinking Water. 5. Review the activities of District Water and Sanitation Mission.	1. Participation in planning of water supply schemes covering more than one Gram Panchayat. 2. Review and Monitor the maintenance of Hand pumps, PWS Schemes and distribution of grant as per planning. **(Annual allocation Rs. 14.00 Crores)** 3. Providing and entrustment of Transportation and hiring of wells for Drinking Water. 4. Review the water testing reports and Monitor the Quality of Drinking Water.	1. Identify schemes and locations, through the involvement of Gram Sabha and Gram Panchayat. 2. Operation and Maintenance of single village schemes **(Annual allocation Rs.63 Crores)** 3. Regular chlorination of open wells and treat water and cleaning of **OHSR**. 4. Ensure proper distribution of water to all locations of households in its Villages. 5. Monitoring and Surveillance of Quality of water. 6. Take up the works relating to iaving of pipelines for drinking water supply in the villages. 7. Promote Household connections. 8. Formation of Water and Sanitation Committee and levy and collect the User charges.

A N N E X U R E

(Annexure to G.O. Ms. No. 589, P.R & R.D. (IRWS-I) Department Dated I: 22-12-2007)

ACTIVITY	DISTRIBUTION OF FUNCTIONS AND FUNDS		
	Zilla Parishad	**Mandal Parishad**	**Gram Panchayat**
Rural Sanitation **(Annual allocation Rs,178 crores)**	1. Planning, entrustment, monitoring and coordination of Rural Sanitation Programmes. Approve the action plans on Total Sanitation submitted by The Mandal Parishads. ***(Annual allocation* Rs.178 Crores)** Providing Technical support for implementation of Total Sanitation.	1. Organising awareness campaigns on Total Sanitation in the villages. 2. Consolidate the action plans of the Gram Panchayats and integrate with Mandal Parishad plans and submit to the Zilla Parishad. 3. Coordination and supervision of implementation of Total Sanitation programme 4. Providing Technical support for implementation of Total Sanitation to Gram Panchayats.	1.Prepare an action plan for Total Sanitation of the Cram Panchayat and submit to Mandal Parsihad 2. Implement the Total Sanitation in the Gram Panchayat. 3. Undertake Sweeping of Streets, construction and Cleaning of drains, disposal of solid-waste, Construction of ISLs, Waste Water disposals, Construction and maintenance of flat forms for Drinking Water sources and soakage pits, Providing dumping yards, Creation of awareness on Health and Hygiene among villagers.

SECTION OFFICER